

PROPOSAL IN RESPONSE TO RFP NO. BLR-170002

STATE OF ARKANSAS BUREAU OF LEGISLATIVE RESEARCH

Proposal Opening Date: August 10, 2017
Proposal Opening Time: 4:30 p.m. CDT

Submitted by BKD, LLP
400 West Capitol Avenue // Suite 2500
Little Rock, AR 72201
Phone: 501.372.1040

REDACTED

BKD^{LLP}
CPAs & Advisors

August 10, 2017

Ms. Jillian Thayer

Legal Counsel to the Director
State of Arkansas Bureau of Legislative Research
State Capitol Building
500 Woodlane Street // Room 315
Little Rock, AR 72201

DEAR MS. THAYER:

Through a variety of support services, including research, drafting legislation and providing sound advice, the State of Arkansas Bureau of Legislative Research (BLR) plays a vital role in the success of members of the House of Representatives and Senate. As the state seeks to potentially reduce \$50.5 million in tax collections from various sources, state representatives have formed the Tax Reform and Relief Legislative Task Force (the Task Force) to review Arkansas's tax policies with a goal toward reforming the state tax code by the 2019 regular session. Throughout this process, BLR and the Task Force need to engage a reputable CPA and advisory firm that possesses extensive tax knowledge within the state of Arkansas and its surrounding states and a depth of resources to help as you strive to modernize and simplify the Arkansas tax code. As the largest CPA firm in the state with the local resources to assist the Task Force, we believe **BKD, LLP** is that firm.

BKD National Governmental Group works with hundreds of governmental clients nationwide. This industry experience and our knowledge of Arkansas and other states' tax law, as well as our involvement with national and state associations, allows us to understand the specific issues BLR and the Task Force may face. In addition to our commitment to providing unmatched client service, BKD can leverage our strong tax expertise, including state and local tax, along with flexible schedules and the ability to handle a constantly changing workload, to help recommend changes to the Arkansas tax code.

We believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. If we can answer questions about this proposal, you may reach us at 501.372.1040 or by email as provided below.

Sincerely,



Kevin G. Horn, CPA, CFA®
Partner
khorn@bkd.com



J. Ernie Skyrme, CPA
Director
eskyrme@bkd.com

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SECTION 1. GENERAL INFORMATION

For your convenience, **BKD, LLP** has structured our proposal according to the questions in the State of Arkansas Bureau of Legislative Research's (BLR) Request for Proposal (RFP) for the Tax Relief and Reform Legislative Task Force (the Task Force). We believe our proposal will demonstrate our qualifications to serve BLR and the Task Force.

INFORMATION CONTAINED IN BKD'S RFP RESPONSE, WHICH IT ASSERTS AS CONFIDENTIAL IS EITHER BUSINESS AND/OR PROPRIETARY TRADE SECRET INFORMATION NOT SUBJECT TO DISCLOSURE AS SET FORTH IN THE FREEDOM OF INFORMATION ACT, IN THIS PROPOSAL, SHALL BE REDACTED.

1.0 INTRODUCTION

The purpose of this Request For Proposal ("RFP") issued by the Bureau of Legislative Research ("BLR") is to invite responses ("Proposals") from Vendors desiring to provide tax reform consulting services for the Tax Relief and Reform Legislative Task Force (the "Task Force"). The Task Force intends to execute one contract as a result of this procurement ("the Contract"), if any contract is issued at all, encompassing all of the products and services contemplated in this RFP, and Proposals shall be evaluated accordingly. All Vendors must fully acquaint themselves with the Task Force's needs and requirements and obtain all necessary information to develop an appropriate solution and to submit responsive and effective Proposals.

BKD acknowledges and understands the statements above.

1.1 ISSUING AGENCY

This RFP is issued by the BLR for the Task Force. The BLR is the sole point of contact in the state for the selection process. Vendor questions regarding RFP-related matters should be made in writing (via e-mail) through the Director of the BLR's Legal Counsel, Jillian Thayer, thayerj@blr.arkansas.gov. Questions regarding technical information or clarification should be addressed in the same manner.

BKD acknowledges and understands the statements above.

experience
innovation

"A huge benefit in working with BKD is the accessibility of the partners and people at the firm. BKD is willing to listen to the client and ask the right questions to learn the client and the business."

Patrick Patton
ADFA - Arkansas Development
Finance Authority
Little Rock, Arkansas

1.2 SCHEDULE OF EVENTS

Release RFP	July 13, 2017
Deadline for submission of questions	August 3, 2017
Closing for receipt of proposals and opening of proposals	August 10, 2017 at 4:30 p.m. CDT
Evaluation of proposals by BLR	Between Aug. 10, 2017 and Aug. 24, 2017
Proposals released to Task Force	August 24, 2017
Selection of Vendors to make Oral Presentations	August 31, 2017 meeting of the Task Force
Oral Presentations/Intent to Award	September 7, 2017, meeting of the Task Force
Approval of draft contract by Task Force Chairs	Within 1 week after intent to award
Approval of draft contract by the Policy Making Subcommittee of the Legislative Council	September 14, 2017
Approval of contract by Legislative Council	September 15, 2017
Contract Execution/Contract Start Date	Upon approval of the Legislative Council
Preliminary Report Due	December 1, 2017
Final Report Due	September 1, 2018

Proposals are due no later than the date and time listed on Page 1 of the RFP.

BKD acknowledges and understands the statements above.

1.3 CAUTION TO VENDORS

During the time between the proposal opening and contract award, any contact concerning this RFP will be initiated by the issuing office or requesting entity and not the Vendor. Specifically, the Bureau of Legislative Research will initiate all contact.

Vendors are requested to respond to each numbered paragraph of the RFP.

Vendors must submit one (1) signed original hard copy of the proposal on or before the date specified on page one of this RFP. In addition, the Vendor should submit, on or before the date specified on page one of this RFP, two (2) electronic versions of the proposal (one (1) redacted electronic version and one (1) unredacted electronic version), preferably in MS Word/Excel format, on CD, flash drive, or via e-mail. Do NOT include any pricing from the Official Proposal Price Sheet on the copies, including on the CD, flash drive, or in the e-mail. Pricing from the Official Proposal Price Sheet, attached as **Attachment A**, must be separately sealed and submitted from the proposal response and clearly marked as pricing information. The electronic version of the Official Proposal Price Sheet must also be sealed and submitted separately from the electronic version of the proposal and, if submitted via e-mail, the e-mail must clearly state that the attachment contains pricing information. Failure to submit the required number of copies with the proposal may be cause for rejection.

For a proposal to be considered, an official authorized to bind the Vendor to a resultant contract must have signed the proposal and the Official Proposal Price Sheet.

All official documents shall be included as part of the resultant Contract.

The Task Force reserves the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the Task Force to do so. Proposals will be rejected for one or more reasons not limited to the following:

- a. Failure of the Vendor to submit his or her proposal(s) on or before the deadline established by the issuing office;
- b. Failure of the Vendor to respond to a requirement for oral/written clarification, presentation, or demonstration;
- c. Failure to supply Vendor references;
- d. Failure to sign an Official RFP Document;
- e. Failure to complete the Official Proposal Price Sheet(s) and include them sealed separately from the rest of the proposal;
- f. Any wording by the Vendor in their response to this RFP, or in subsequent correspondence, which conflicts with or takes exception to a requirement in the RFP; or

g. Failure of any proposed services to meet or exceed the specifications.

BKD acknowledges and understands the statements above.

1.4 RFP FORMAT

Any statement in this document that contains the word “must” or “shall” means that compliance with the intent of the statement is mandatory, and failure by the Vendor to satisfy that intent will cause the proposal to be rejected. It is recommended that Vendors respond to each item or paragraph of the RFP in sequence. Items not needing a specific vendor statement may be responded to by concurrence or acknowledgement; a failure to provide a response will be interpreted as an affirmative response or agreement to the BLR conditions. Reference to handbooks or other technical materials as part of a response must not constitute the entire response, and Vendor must identify the specific page and paragraph being referenced.

BKD acknowledges and understands the statements above.

1.5 ALTERATION OF ORIGINAL RFP DOCUMENTS

The original written or electronic language of the RFP shall not be changed or altered except by approved written addendum issued by the Bureau of Legislative Research. This does not eliminate a Vendor from taking exception(s) to these documents, but it does clarify that the Vendor cannot change the original document’s written or electronic language. If the Vendor wishes to make exception(s) to any of the original language, it must be submitted by the Vendor in separate written or electronic language in a manner that clearly explains the exception(s). If Vendor’s submittal is discovered to contain alterations/changes to the original written or electronic documents, the Vendor’s response may be declared non-responsive, and the response shall not be considered.

BKD acknowledges and understands the statements above.

1.6 REQUIREMENT OF AMENDMENT

THIS RFP MAY BE MODIFIED ONLY BY AMENDMENTS WRITTEN AND AUTHORIZED BY THE BUREAU OF LEGISLATIVE RESEARCH. Vendors are cautioned to ensure that they have received or obtained and responded to any and all amendments to the RFP prior to submission.

BKD acknowledges and understands the statements above.

1.7 RFP QUESTIONS

Any questions regarding the contents and requirements of the RFP and the format of responses to the RFP should be directed to Jillian Thayer via email only at thayerj@blr.arkansas.gov. Questions must be submitted by the deadline set forth in Section 1.2, Schedule of Events. Questions submitted by Vendors and answers to questions, as provided by the Bureau of Legislative Research, will be made public.

BKD acknowledges and understands the statements above.

1.8 SEALED PRICES/COST

The Official Proposal Price Sheet submitted in response to this RFP must be submitted separately sealed from the proposal response or submitted in a separate e-mail. Vendors must include all pricing information on the Official Proposal Price Sheet and any attachments thereto and must clearly mark said page(s) and e-mail as pricing information. The electronic version of the Official Proposal Price Sheet must also be sealed separately from the electronic version of the proposal and submitted on CD, flash drive, or in a separate e-mail. Official Proposal Price Sheets may be reproduced as needed. Vendors may expand items to identify all proposed services and costs. A separate listing, which must include pricing, may be submitted with summary pricing.

All charges included on the Official Proposal Price Sheet, must be valid for one hundred eighty (180) days following proposal opening, and shall be included in the cost evaluation. The pricing must include all associated costs for the service being bid.

The BLR will not be obligated to pay any costs not identified on the Official Proposal Price Sheet. Any cost not identified by the Vendor but subsequently incurred in order to achieve successful operation will be borne by the Vendor.

The total maximum amount of the bid listed on the Official Proposal Price Sheet will be the maximum amount that may be paid out under any resulting Contract. The amount paid by the BLR to the Successful Vendor will be based on billing for actual hours worked and documented in the hourly rates set forth in the Official Proposal Price Sheet, as well as reimbursements for actual expenses, documented by receipts, up to the maximum contract amount.

BKD acknowledges and understands the statements above.

1.9 PROPRIETARY INFORMATION

Proposals and documents pertaining to the RFP become the property of the BLR, and after release to the Task Force shall be open to public inspection pursuant to the Arkansas Freedom of Information Act, § 25-19-101, et seq. It is the responsibility of the Vendor to identify all proprietary information by providing a redacted copy of the proposal, as discussed below, and to seal such information in a separate envelope or e-mail marked as confidential and proprietary.

The Vendor must submit one (1) complete electronic copy of the proposal from which any proprietary information has been removed, i.e., a redacted copy. The redacted copy should reflect the same pagination as the original, show the empty space from which information was redacted, and be submitted on a CD, a flash drive, or in a separate e-mail. Except for the redacted information, the electronic copy must be identical to the original hard copy. The Vendor is responsible for ensuring the redacted copy on CD, flash drive, or submitted via e-mail is protected against restoration of redacted data.

BKD acknowledges and understands the statements above.

1.10 DELIVERY OF RESPONSE DOCUMENTS

It is the responsibility of vendors to submit proposals at the place and on or before the date and time set in the RFP solicitation documents. Proposal documents received at the Bureau of Legislative Research Offices after the date and time designated for proposal opening are considered late proposals and shall not be considered. Proposal documents that are to be returned may be opened to verify which RFP the submission is for. Proposals may be submitted via e-mail to Jillian Thayer, Legal Counsel to the Director, at thayerj@blr.arkansas.gov.

BKD acknowledges and understands the statements above.

1.11 BID EVALUATION

The Task Force will evaluate all proposals to ensure all requirements are met. The Contract will be awarded on the basis of the proposal that most thoroughly satisfies the relevant criteria as determined by the Task Force.

BKD acknowledges and understands the statements above.

1.12 ORAL &/OR WRITTEN PRESENTATIONS/DEMONSTRATIONS

The Task Force will select a small group of Vendors from among the proposals submitted to attend the September 7, 2017 meeting of the Task Force to answer questions and to make oral and/or written presentations to the Task Force. All presentations are subject to be recorded.

All expenses of the Vendor associated with attending the September 7, 2017 Task Force meeting will be borne by the Vendor.

The Successful Vendor selected by the Task Force shall attend the September 14, 2017 meeting of the Policy Making Subcommittee of the Legislative Council and the September 15, 2017 meeting of the Legislative Council, and actual expenses of the Vendor in attending these meetings will be reimbursed under the contract.

BKD acknowledges and understands the statements above.

1.13 INTENT TO AWARD

After complete evaluation of the proposal, the intent to award will be announced at the September 7, 2017, meeting of the Task Force. The purpose of the announcement is to establish a specific time in which vendors and agencies are aware of the intent to award. The Task Force reserves the right to waive this policy, The Intent to Award, when it is in the best interest of the state.

BKD acknowledges and understands the statements above.

1.14 APPEALS

A Vendor who is aggrieved in connection with the award of a contract may protest to the Executive Subcommittee of the Legislative Council. The protest shall be submitted in writing within five (5) calendar days after the intent to award is announced. After reasonable notice to the protestor involved and reasonable opportunity for the protestor to respond to the protest issues cited by the Executive Subcommittee, the Arkansas Legislative Council, or the Joint Budget Committee if the Arkansas General Assembly is in session, shall promptly issue a decision in writing that states the reasons for the action taken. The Arkansas Legislative Council's or the Joint Budget Committee's decision is final and conclusive. In the event of a timely protest, the Bureau of Legislative Research shall not proceed further with the solicitation or with the award of the contract unless the co-chairs of the Arkansas Legislative Council or the Joint Budget Committee make a written determination that the award of the contract without delay is necessary to protect substantial interests of the state.

BKD acknowledges and understands the statements above.

1.15 PAST PERFORMANCE

A Vendor's past performance may be used in the evaluation of any offer made in response to this solicitation. The past performance should not be greater than three (3) years old and must be supported by written documentation submitted to the Bureau of Legislative Research with the Vendor's RFP response. Documentation shall be in the form of a report, memo, file, or any other appropriate authenticated notation of performance to the vendor files.

REDACTED

1.16 TYPE OF CONTRACT

This will be a term contract commencing on the date of execution of the Contract and terminating on December 31, 2018, with an option for one (1) renewal of up to six (6) months. The BLR will have the option to renegotiate at time of renewal.

BKD acknowledges and understands the statements above.

1.17 PAYMENT & INVOICE PROVISIONS

All invoices shall be delivered to the BLR and must show an itemized list of charges. The Invoice, Invoice Remit, and Summary must be delivered via email to Jillian Thayer, Legal Counsel to the Director, at thayerj@blr.arkansas.gov.

The BLR shall have no responsibility whatsoever for the payment of any federal, state, or local taxes that become payable by the Successful Vendor or its subcontractors, agents, officers, or employees. The Successful Vendor shall pay and discharge all such taxes when due.

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the BLR. The BLR may not be invoiced in advance of delivery and acceptance of any services. Payment will be made only after the Successful Vendor has successfully satisfied the BLR as to the reliability and effectiveness of the services as a whole. Purchase Order Number and/or Contract Number should be referenced on each invoice.

The Successful Vendor shall be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the BLR. Access will be granted to state or federal government entities or any of their duly authorized representatives upon request.

Financial and accounting records shall be made available, upon request, to the BLR's designee(s) at any time during the contract period and any extension thereof and for five (5) years from expiration date and final payment on the Contract or extension thereof.

BKD acknowledges and understands the statements above.

1.18 PRIME CONTRACTOR RESPONSIBILITY

The Successful Vendor will be required to assume prime contractor responsibility for the Contract and will be the sole point of contact.

The Task Force reserves the right to interview the key personnel assigned by the Successful Vendor to this project and to recommend or require reassignment of personnel deemed unsatisfactory by the Task Force.

The Task Force reserves the right to approve subcontractors for this project and require primary contractors to replace subcontractors that are found to be unacceptable.

If any part of the work is to be subcontracted, the Vendor must disclose the same information for the subcontractor as for itself. Responses to this RFP must include a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's business organization.

BKD acknowledges and understands the statements above.

1.19 DELEGATION &/OR ASSIGNMENT

The Vendor shall not assign the Contract in whole or in part or any payment arising therefrom without the prior written consent of the BLR, as approved by the Task Force. The Vendor shall not delegate any duties under the Contract to a subcontractor unless the BLR, as approved by the Task Force, has given written consent to the delegation.

BKD acknowledges and understands the statements above.

1.20 CONDITIONS OF CONTRACT

The Successful Vendor shall at all times observe and comply with federal and state laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of the Contract which in any manner affect the completion of the work. The Successful Vendor shall indemnify and save harmless the BLR, the Task Force, the Arkansas General Assembly, and the State of Arkansas and all of their officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order, or decree by an employee, representative, or subcontractor of the Successful Vendor.

BKD acknowledges and understands the statements above.

1.21 STATEMENT OF LIABILITY

The BLR and the Task Force will demonstrate reasonable care but shall not be liable in the event of loss, destruction, or theft of contractor-owned technical literature to be delivered or to be used in the installation of deliverables. The Vendor is required to retain total liability for technical literature until the deliverables have been accepted by the authorized BLR official. At no time will the BLR or the Task Force be responsible for or accept liability for any Vendor-owned items.

The Successful Vendor shall indemnify and hold harmless the Task Force and its members, the BLR and its officers, directors, agents, retailers, and employees, and the State of Arkansas from and against any and all suits, damages, expenses, losses, liabilities, claims of any kind, costs or expenses of any nature or kind, including, with limitation, court costs, attorneys' fees, and other damages, arising out of, in connection with, or resulting from the development, possession, license, modification, disclosure, or use of any copyrighted or non-copyrighted materials, trademark, service mark, secure process, invention, process or idea (whether patented or not), trade secret, confidential information, article, or appliance furnished or used by a vendor in the performance of the Contract.

The resulting Contract shall be governed by the laws of the State of Arkansas, without regard for Arkansas' conflict of law principles. Any claims against the Bureau of Legislative Research, the Task Force, or the Arkansas General Assembly, whether arising in tort or in contract, shall be brought before the Arkansas State Claims Commission as provided by Arkansas law, and shall be governed accordingly. Nothing in this RFP or the resulting contract shall be construed as a waiver of sovereign immunity.

BKD acknowledges and understands the statements above.

1.22 AWARD RESPONSIBILITY

The BLR will be responsible for award and administration of any resulting contract(s).

BKD acknowledges and understands the statement above.

1.23 INDEPENDENT PRICE DETERMINATION

By submission of this proposal, the Vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

The prices in the proposal have been arrived at independently, without collusion, and that no prior information concerning these prices has been received from or given to a competitive company; and

If there is sufficient evidence of collusion to warrant consideration of this proposal by the Office of the Attorney General, all Vendors shall understand that this paragraph may be used as a basis for litigation.

BKD acknowledges and understands the statements above.

1.24 PUBLICITY

News release(s), media interviews, or other publicity by a Vendor pertaining to this RFP or any portion of the project shall not be made without prior written approval of the BLR, as authorized by the Task Force chairs. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the Vendor's proposal.

The Successful Vendor agrees not to use the BLR's, the Task Force's, or the Arkansas General Assembly's names, trademarks, service marks, logos, images, or any data arising or resulting from this RFP or the Contract as part of any commercial advertising or proposal without the express prior written consent of the BLR and the Task Force in each instance.

BKD acknowledges and understands the statements above.

1.25 CONFIDENTIALITY

The Successful Vendor shall be bound to confidentiality of any confidential information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

The Successful Vendor shall represent and warrant that its performance under the Contract will not infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

BKD acknowledges and understands the statements above.

1.26 PROPOSAL TENURE

All Proposals shall remain valid for one hundred eighty (180) calendar days from the Proposal due date referenced on Page 1 of the RFP.

BKD acknowledges and understands the statement above.

1.27 WARRANTIES

The Successful Vendor shall warrant that it currently is, and will at all times remain, lawfully organized and constituted under all federal, state, and local law, ordinances, and other authorities of its domicile and that it currently is, and will at all times remain, in full compliance with all legal requirements of its domicile and the State of Arkansas.

The Successful Vendor shall warrant and agree that all services provided pursuant to this RFP and the Contract have been and shall be prepared or done in a workman-like manner consistent with the highest standards of the industry in which the services are normally performed. The Successful Vendor further represents and warrants that all computer programs implemented for performance under the Contract shall meet the performance standards required thereunder and shall correctly and accurately perform their intended functions.

The Successful Vendor shall warrant that it is qualified to do business in the State of Arkansas and shall file appropriate tax returns as provided by the laws of this State.

BKD acknowledges and understands the statements above.

1.28 CONTRACT TERMINATION

Subsequent to award and execution of the Contract, either party may terminate the Contract by providing ten (10) days prior written notice.

BKD acknowledges and understands the statements above.

1.29 VENDOR QUALIFICATIONS

The Successful Vendor must, upon request of the Task Force, furnish satisfactory evidence of its ability to furnish products or services in accordance with the terms and conditions of this proposal. The Task Force reserves the right to make the final determination as to the Vendor's ability to provide the services requested herein.

The Vendor must demonstrate that it possesses the capabilities and qualifications described in Sections 3 and 5, including without limitation the following:

- Be capable of providing the services required by the Task Force;
- Be authorized to do business in this State; and
- Complete the Official Proposal Price Sheet in Attachment A.

BKD acknowledges and understands the statements above.

1.30 NEGOTIATIONS

As provided in this RFP, discussions may be conducted by the BLR with a responsible Vendor who submits proposals determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal responses and negotiation for best and final offers.

BKD acknowledges and understands the statements above.



1.31 LICENSES & PERMITS

During the term of the Contract, the Vendor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections, and related fees for each or any such licenses, permits, and/or inspections required by the state, county, city, or other government entity or unit to accomplish the work specified in this solicitation and the contract.

BKD acknowledges and understands the statements above.

1.32 OWNERSHIP OF DATA & MATERIALS

All data, material, and documentation prepared for the Task Force pursuant to the Contract shall belong exclusively to the BLR, for the use of the Task Force and other committees of the Arkansas General Assembly, as authorized by the Task Force.

BKD acknowledges and understands the statements above.

SECTION 2. OVERVIEW

2.0 TAX REFORM AND RELIEF ACT OF 2017 OVERVIEW

The Tax Reform and Relief Act of 2017 (the “Act”), enacted by the 91st General Assembly of the State of Arkansas, created the Tax Reform and Relief Legislative Task Force in order to “examine and identify areas of potential reform within the tax laws of the State of Arkansas and to recommend legislation.”

BKD acknowledges and understands the statements above.

2.1 OBJECTIVES

It is the objective of the Task Force, by entering into a Contract for consultant services, to provide to the members of the Arkansas General Assembly detailed and accurate information concerning the current state of tax laws and their impact in the State of Arkansas, as well as recommendations for legislative changes in order to:

Modernize and simplify the Arkansas tax code;
 Make the Arkansas tax laws competitive with other states in order to attract businesses to the State;
 Create jobs within the State; and
 Ensure fairness to all individuals and entities impacted by the tax laws of the State of Arkansas.

The Vendor shall provide this information in a timely manner to the Task Force in order to assist the Task Force in compiling its preliminary report due December 1, 2017 and a final report due September 1, 2018. This information will allow the Task Force to adequately assess the needs in the state in order achieve the requirements of the Act.

This Request for Proposal is designed to obtain a Contract to provide tax reform consulting services to the Task Force. All responses to this RFP shall reflect the overall goals and objectives stated herein. The Vendor shall bill the BLR on an hourly basis for the services provided.

BKD acknowledges and understands the statements above.

experience
leadership

“The BKD team really took the time to understand the City’s problems from the viewpoint of our customers, worked with our own personnel, and developed practical and thoughtful solutions that are addressing some of our most pressing needs. It’s clear that they really understand operations. We really couldn’t have asked for a better relationship and I am excited about the results we are seeing.”

Tim Keane

Commissioner
 Department of Planning and
 Community Development
 Atlanta, Georgia

SECTION 3. TAX REFORM CONSULTING SERVICES

3.0 SCOPE OF WORK/SPECIFICATIONS

It will be the responsibility of the Vendor to provide the Task Force and, ultimately, the members of the Arkansas General Assembly with accurate and detailed reports, including information set forth in Section 2, above.

In addition to preparation of a final report, the Successful Vendor will provide:

Monthly status updates on the project, which will require monthly attendance at meetings of the Task Force to answer questions regarding the status updates;

Answers to research requests or data inquiries by members of the Task Force, as authorized by the Task Force Co-chairs; and

Assistance with draft legislation based on recommendations adopted by the Task Force.

The Successful Vendor will also need to be available to attend other meetings of the Task Force and other legislative committees, as requested and authorized by the Task Force Co-Chairs.

In the event that services in addition to those described in this Section 3.0 Scope of Work/Specifications are required during the term of the Contract, the Co-chairs of the Arkansas Legislative Council shall have the power to approve the additional services and an additional fee for those services in an amount not to exceed ten percent (10%) of the Vendor's total maximum amount of the bid as submitted in the Official Proposal Price Sheet and agreed upon in the Contract, upon recommendation of the Task Force.

The Vendor may find it necessary and prudent to pull data from existing studies recently undertaken by other consultants or state agencies. In the event that the Vendor utilizes any information from other reports or studies, the Vendor shall first verify the methodology employed in compiling the data in the reports and the accuracy of the data therein. Documentation of this verification process shall be provided in the reports of the Vendor to the Task Force.

BKD acknowledges and understands the statements above.

3.1 TAX REFORM CONSULTING

The tax reform consulting services provided by the Successful Vendor pursuant to this Request for Proposal must address the stated specifications and requirements. These services will be provided to the Task Force.

As requested by the Task Force, the Vendor must attend various meetings of the Task Force and other legislative committees of the Arkansas General Assembly. Hourly compensation will be paid for meeting times in addition to reimbursement of actual travel expenses. The Vendor shall explain any anticipated limitations in its ability to attend meetings of the Task Force in its response to this RFP.

All projects shall be paid pursuant to the fee schedule, as stated in the Official Proposal Price Sheet and any attachments thereto. The Vendor shall submit itemized invoices to the BLR, which will pay the invoices on a monthly basis.

The Task Force does not grant the Vendor exclusive rights to all tax reform consulting services contemplated under this RFP. In the event the Task Force decides that the acquisition of these services by another Vendor is in the Task Force's best interest, the Task Force reserves the right to contract and purchase tax reform consulting services from a different source outside of the contract resulting from this RFP, and the Task Force's action to procure services outside of the Contract does not infringe upon, nor terminate, the contract resulting from this Request For Proposal.

BKD acknowledges and understands the statements above.

3.2 PROCUREMENT OF GOODS & SERVICES

If the Vendor anticipates the need to procure additional goods or services in order to provide the tax reform consulting services requested in this RFP, the Vendor must identify the goods and/or services that may be procured, the reason the procurement is necessary, the name of the vendor from whom the goods or services are to be procured, and the anticipated cost of the goods and/or services to be procured.

A Vendor does not need to restate each item listed in this Section 3.2 but will be bound by all applicable specifications. Information relating to these matters should be incorporated into the Proposal. A Vendor must provide in detail any limitations in meeting the requirements stated in Section 3.

BKD acknowledges and understands the statements above.

SECTION 4. COST PROPOSAL

4.0 COMPENSATION

Compensation for tax reform consulting services shall be paid based upon the work performed as specified in this RFP. The budget is subject to approval by the Task Force. A Vendor seeking consideration shall submit a compensation proposal as required below for tax reform consulting services as provided throughout the RFP.

The fee schedule, as set forth on the Official Proposal Price Sheet, will cover the time spent in the completion of the requested task or project, as well as other administrative costs (including, but not limited to, secretarial, bookkeeping, budget preparation, monitoring and auditing services, etc.) The fee schedule will cover any and all travel expenses anticipated in relation to conducting the work required under this RFP and resulting Contract. The fee schedule will cover the time expended inclusive of all overhead or any other costs associated with the particular individuals who may be performing the services.

BKD acknowledges and understands the statements above. Please see the separately sealed Official Proposal Price Sheet for our proposed fees.

4.1 PAYMENT SCHEDULE

The BLR shall pay the Vendor based on the hours expended for approved projects on a monthly basis or as otherwise may be agreed to in writing by the parties. The BLR may request and the Vendor shall provide timesheets or other documentation as may be directed by the BLR prior to the payment for any services rendered. Failure to provide appropriate and satisfactory documentation will be sufficient grounds to withhold payment for the disputed amount, but other nondisputed amounts must be paid in a timely manner.

BKD acknowledges and understands the statements above.

4.2 TRAVEL, LODGING & MEALS

The Successful Vendor may submit invoices and receive reimbursement for travel expenses allowed by law related to attending meetings of the Task Force and other legislative committees of the Arkansas General Assembly. Reimbursement of travel expenses will be included in the total maximum contract amount.

Estimates of expenses as allowed by law for travel related to field work required by the Contract and this RFP should be included by the Vendor in the fee schedule, as required by Section 4.0.

BKD acknowledges and understands the statements above.

SECTION 5. ADDITIONAL VENDOR REQUIREMENTS

5.0 COMPREHENSIVE VENDOR INFORMATION

All proposals should be complete and carefully worded and should convey all of the information requested by the Task Force. If significant errors are found in the Vendor's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the Task Force will be the sole judge as to whether that variance is significant enough to reject the proposal. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of the content. Proposals that include either modifications to any of the contractual requirements of the RFP or a Vendor's standard terms and conditions may be deemed non-responsive and therefore not considered for award.

BKD acknowledges and understands the statements above.

5.1 VENDOR PROFILE

In addition to information requested in other sections of the RFP, the Vendor shall submit the following:

Business Name

BKD, LLP

Business Address

BKD, LLP

400 West Capitol Avenue // Suite 2500
Little Rock, AR 72201

Alternate Business Address

BKD, LLP

National Office
910 East St. Louis Street // Suite 400
Springfield, MO 65806

Primary Contact Name, Title, Telephone, Fax, and E-mail Address

Kevin G. Horn, CPA, CFA®
Partner
Telephone: 501.372.1040
Fax: 501.372.1250
khorn@bkd.com

How many years this company has been in this type of business

BKD has been in business for more than 90 years.

Proof that the Vendor is qualified to do business in the State of Arkansas

BKD is properly licensed to practice public accounting in the state of Arkansas. All key professionals who would be assigned to your engagement are properly registered/licensed to practice or able to practice in the state due to mobility laws, without the requirement to obtain an individual license.

Please see the Appendix for a copy of our Arkansas State Board of Public Accountancy license.

A disclosure of the Vendor's name and address and, as applicable, the names and addresses of the following: If the Vendor is a corporation, the officers, directors, and each stockholder of more than a ten percent (10%) interest in the corporation. However, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of the securities need be disclosed; if the Vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust; if the Vendor is an association, the members, officers, and directors; and if the Vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers

VENDOR'S NAME & ADDRESS

BKD, LLP

400 West Capitol Avenue // Suite 2500
Little Rock, AR 72201

PARTNERS & PRINCIPALS

BKD is a limited liability partnership under Missouri law. BKD's partners and principals include:

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- ▶ Isabel P-D Santner, CPA
- ▶ Mary A. Horn, CPA

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- ▶ Jody A. Gauthier, CPA
- ▶ Joel R. Dziedzic, CPA, CIT

- ▶ Keith A. Friedlein, CPA
- ▶ Kenneth M. Bishop, CPA
- ▶ Kristine D. Marsh, CPA
- ▶ Michael C. Senko, CPA
- ▶ Philip C. Czajkowski, CPA
- ▶ Russell L. Romanelli, CPA
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**As of December 31, 2016*

Note: Certified Financial Planner Board of Standards, Inc. owns the CFP® marks in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

A disclosure of all the states and jurisdictions in which the Vendor does business and the nature of the business for each state or jurisdiction

BKD is properly licensed to practice public accounting in the following states; however, BKD serves clients in all 50 states:

Alaska	Maryland	Ohio
Arkansas	Massachusetts	Oklahoma
California	Michigan	Oregon
Colorado	Minnesota	Pennsylvania
Connecticut	Mississippi	South Dakota
Florida	Missouri	Tennessee
Georgia	Montana	Texas
Hawaii	Nebraska	Vermont
Illinois	Nevada	Virgin Islands
Indiana	New Hampshire	Washington
Iowa	New Jersey	West Virginia
Kansas	New Mexico	Wisconsin
Kentucky	New York	Wyoming
Louisiana	North Carolina	
Maine	North Dakota	

A disclosure of all the states and jurisdictions in which the Vendor has contracts to supply tax reform consulting services and the nature of the goods or services involved for each state or jurisdiction

We are not providing tax reform consulting services to any states or jurisdictions at this time; however, BKD provides tax services to clients in all 50 states. In addition to our preparation and filing of tax forms, our advisors provide a variety of services, including:

- ▶▶ State and local tax consulting and compliance
- ▶▶ Nexus studies
- ▶▶ Multistate tax planning
- ▶▶ Strategic tax planning
- ▶▶ Business structuring consulting
- ▶▶ Tax accounting outsourcing

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- ▶▶ Steven L. Webb, CPA
- ▶▶ William A. Pickert, CPA

- ▶▶ Tax credits and incentives
- ▶▶ Income and franchise tax planning
- ▶▶ Payroll tax compliance

A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court of the Vendor for any felony or any other criminal offense other than a traffic violation committed by the persons identified as management, supervisory, or key personnel

With operations spanning more than 90 years, we are not aware of and do not believe that any partner, officer or key employee of BKD has ever been charged with and/or convicted of a criminal offense.

As part of our hiring policy, BKD employees have been subject to appropriate background checks through a third-party vendor, Barada Associates, Inc. Each investigation is carefully reviewed and evaluated in the context of the position, the nature of the issues, and identified and relevant laws. Upon request, background checks may be confirmed for the individuals assigned to this engagement.

A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including without limitation bonded indebtedness, and any pending litigation of the Vendor

BKD has never declared bankruptcy, suffered insolvency or bonded indebtedness, or undergone a corporate or individual takeover by another corporation.

BKD's emphasis on quality has rewarded the firm with an excellent track record regarding claims related to professional services. Underwriters of professional liability insurance for accounting firms have informed us that we have one of the best litigation histories in the accounting profession. To avoid litigation, BKD maintains an extensive risk management program addressing a multitude of issues ranging from client acceptance to final working paper and financial statement review. However, as with any firm our size, the firm does experience litigation from time to time. Details of litigation cannot be disclosed pursuant to confidentiality agreements; however the results of litigation have never been material to the firm. Currently, there is no substantial litigation outstanding.

A disclosure of any conflicts of interest on the part of the Vendor or its personnel that will be working on this project, especially regarding financial interests that would be impacted depending on the recommendations ultimately made by the Task Force.

BKD has not had a professional relationship with BLR or the Task Force. No relationship exists that would constitute a conflict of interest relative to performing the proposed services.

Additional disclosures and information that the Task Force may determine to be appropriate for the procurement involved.

Please see section 5.2 General Information on the following page for additional information.

5.2 GENERAL INFORMATION

Vendor shall submit any additional information for consideration such as specialized services, staffs available, or other pertinent information the Vendor may wish to include.

WHY CHOOSE BKD

DELIVERING VALUE

It is important to monitor expenditures and receive exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it.

As evidenced by our inclusion in the **INSIDE Public Accounting** Best of the Best Firms list for the last six years, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help the Task Force address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.



NATIONAL & LOCAL GOVERNMENTAL EXPERTISE

Professionals in BKD's Arkansas offices provide services to multiple state and city agencies, their component units and other local governmental units, including airports, public employee pension plans, public libraries, transit and port authorities and utilities. Services to the not-for-profit and governmental industry constitute a large portion of our Arkansas and firmwide practice. We understand and have experience with Arkansas and other state laws and regulations to which our governmental clients must adhere.

BKD'S STATE & LOCAL TAX PLANNING EXPERTISE

BKD can use our state and local tax (SALT) team to assist the Task Force with its objectives for real tax savings for the businesses and individuals of the state of Arkansas. Our dedicated SALT practice is the choice of several Fortune 500 companies and thousands of organizations of many sizes.

Our team of SALT professionals has extensive experience in providing multistate SALT services and has expertise in structuring, compliance, audit, economic development benefits and multistate tax law.

THOUGHT LEADERSHIP

BKD advisors are serious about reinforcing and strengthening their positions as thought leaders in the industries they serve. To assist taxpayers with staying informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware**® webinars, seminars and articles. Many of these are eligible for continuing professional education (CPE) credit. Topics include:

- ▶▶ Missouri Reverses Course on Delivery Charges
- ▶▶ Closed for Business: Kansas Ends Major Exemption of Certain Pass-Through & Other Income
- ▶▶ What You Need to Know About Illinois Tax Law Changes
- ▶▶ Louisiana Increasing Revenue Through Sales & Use Tax Legislation
- ▶▶ Tennessee Enacts Significant Income & Franchise Tax Changes

UNMATCHED CLIENT SERVICE

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that articulates the firm’s philosophy and sets expectations for serving clients. Our five standards are:

Integrity First

We work hard to do what is right for you. You can rely on us to tell you what you need to hear.

True Expertise

From BKD, you can expect trained, capable staff and a high level of supervision by partners and experienced personnel.

Professional Demeanor

You can depend on prepared and attentive advisors to help meet your needs and provide new ideas.

Responsive Reliability

Accurate and thorough work combined with timely delivery is what you require. At BKD, we do not want it any other way.

Principled Innovation

We want you to succeed. For BLR and the Task Force, that means looking for new ideas to help reduce taxes for businesses and individuals in Arkansas.

5.3 DISCLOSURE OF LITIGATION

A Vendor must include in its Proposal a complete disclosure of any civil or criminal litigation or indictment involving such Vendor. A Vendor must also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members, and subcontractors. This disclosure requirement is a continuing obligation, and any litigation commenced after a Vendor has submitted a Proposal under this RFP must be disclosed to the BLR in writing within five (5) days after the litigation is commenced.

BKD’s emphasis on quality has rewarded the firm with an excellent track record regarding claims related to professional services. Underwriters of professional liability insurance for accounting firms have informed us that we have one of the best litigation histories in the accounting profession. To avoid litigation, BKD maintains an extensive risk management program addressing a multitude of issues ranging from client acceptance to final working paper and financial statement review. However, as with any firm our size, the firm does experience litigation from time to time. Details of litigation cannot be disclosed pursuant to confidentiality agreements; however, the results of litigation have never been material to the firm. Currently, there is no substantial litigation outstanding.

You can count on BKD’s commitment to our 5 standards of unmatched client service:



Integrity First



True Expertise



Professional Demeanor



Responsive Reliability



Principled Innovation

bkd.com/5

5.4 EXECUTIVE SUMMARY

A Vendor must provide a summary overview and an implementation plan for the entire project being proposed. The intent of this requirement is to provide the Task Force with a concise but functional summary of the discussion of each phase of the Vendor's plan in the order of progression. While the Task Force expects a Vendor to provide full details in each of the sections in other areas of the RFP relating to its plan, the Executive Summary will provide a "map" for the Task Force to use while reviewing the Proposal.

Each area summarized must be listed in chronological order, beginning with the date of Contract execution, to provide a clear indication of the flow and duration of the project. A Vendor may use graphics, charts, preprinted reports, or other enhancements as a part of this section to support the chronology or add to the presentation. Any such materials must be included in the original and each copy of the Proposal.

STATE INCOME TAX CONSULTING SERVICES

BKD prepares thousands of state income and franchise tax returns each year, including hundreds of Arkansas income tax and sales and use tax returns in our local offices. We also help our clients comply with state tax laws and strategically plan for their tax liability, as well as provide other specialty tax services. Our goal is to know the state tax laws and help keep our clients compliant.

Tax laws, court decisions and regulatory guidance change rapidly. At BKD, our tax professionals continually work to keep up with these changes. We develop strategies to help clients take advantage of the benefits within the tax law and can use our professional judgment and experience to advise our clients.

Our SALT professionals participate in state committees and industry-specific groups to help provide practical working knowledge of tax laws or pending legislation and the resulting impact on taxpayers. Our participation often provides guidance and comparative insight on what other states are doing from a state and local tax standpoint.

PHASE 1: PLANNING

Upon execution of the engagement letter, we will be available to begin the project as soon as possible. As we want to work closely with the Task Force to meet your objectives for the engagement, BKD would like to have a kickoff meeting with the Task Force to discuss your vision of the project. We will review current tax laws and this vision with our team and outline an efficient and effective approach with the team to best use our time and experience. We will have the resources in place to focus on various aspects of the project. Our team consists of local advisors, as well as firmwide tax thought leaders, including SALT specialists. We will work from our local office or a location the Task Force chooses.

PHASE 2: RESEARCH/INFORMATION GATHERING

BKD already has an in-depth knowledge of current Arkansas and other states' tax laws. We will use this knowledge, experience and data inquiries to assist the Task Force with its objectives. During this phase, we will develop and document areas that we believe will assist the Task Force in meeting its objectives.

BKD will be present at monthly Task Force meetings to provide status updates, including answering questions and discussing further work requested by the Task Force. We also will be available to attend other legislative committees of the Arkansas General Assembly.

PHASE 3: PRELIMINARY REPORT & COMMUNICATIONS DELIVERY

A cornerstone of the quality of our tax consulting projects is the use of a tax theory reviewer before the issuance of any reports. Another member of our tax consulting team will review the preliminary findings and report before submission to the Task Force. Our commitment to a smooth engagement also includes the timely delivery of our report. We will adhere to the preliminary report due date noted in the RFP. We anticipate the preliminary report to include, but not be limited to, current Arkansas tax law, the value of the current system and tax savings ideas for the future.

PHASE 4: INTERIM PERIOD BETWEEN PRELIMINARY & FINAL REPORT

We expect the Task Force and other legislative committees to review the preliminary report and have several follow-up questions and research assignments for us. We will be available to attend required meetings to ultimately assist the Task Force with your objectives. We will revise our preliminary report, as necessary, as more research and questions are answered from this process.

PHASE 5: FINAL REPORT & COMMUNICATIONS DELIVERY

As the project comes to an end, we will continue to provide unmatched client service to the Task Force and finalize the report by the final report deadline noted in the RFP.

AREAS OF EXPERTISE

Beyond our consulting services, we provide a variety of tax planning and compliance services. Our tax professionals have expertise in areas such as:

- ▶▶ Federal, state and local tax services for individuals and businesses
- ▶▶ Tax credit studies
- ▶▶ Tax accounting methods analysis

5.5 VENDOR'S QUALIFICATIONS

A Vendor shall provide resumes or short biographies and qualifications of all management, supervisory, and key personnel to be involved in performing the services contemplated under this RFP. The resumes shall present the personnel in sufficient detail to provide the Task Force with evidence that the personnel involved can perform the work specified in the RFP.

The most critical factor in providing high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.



Kevin G. Horn, CPA, CFA®
Partner

Kevin has more than 20 years of experience providing tax services to a wide variety of industries, including manufacturing and distribution companies, health care providers and others. He has experience with many tax matters, including accounting method changes, mergers and acquisitions, executive compensation, multistate taxation, audit representation and accounting income tax accruals.

In addition, he regularly provides tax and personal financial planning advice* to executives of a number of Fortune 500 companies and other high-net-worth individuals. He has worked with numerous executives throughout the United States on issues such as executive compensation, insurance, investments and tax planning.

Kevin's professional affiliations include membership in the American Institute of CPAs, Arkansas Society of Certified Public Accountants and CFA Institute. He also holds designations as a Chartered Financial Analyst® (CFA®).

He is a 1993 graduate of University of Arkansas, Fayetteville, with a B.S.B.A. degree in finance, and University of Arkansas at Little Rock with a M.S. degree in taxation.

**Services provided are incidental to his practice as a CPA. All investment advisory services are provided separately by BKD Wealth Advisors, LLC, a U.S. Securities and Exchange Commission registered investment advisor.*



Robert T. Johnson Jr.
Partner

Bob is a member of BKD's State & Local Tax (SALT) Services division with more than 21 years of experience with sales, use, income, franchise, excise and property taxes as well as credits and incentives. He focuses on managing large refund studies, analyzing nexus issues, determining taxability decisions, identifying and securing credits and incentives, negotiating voluntary disclosure agreements, handling state tax audits, developing tax savings ideas, structuring transactions to help reduce tax, evaluating current compliance strategies and guidelines and assisting in implementing and testing new sales and use tax systems.

He is experienced in providing multistate sales and use tax consulting for a variety of industries, including agriculture, construction, manufacturing, oil and gas, telecommunications, transportation and retail. He also has worked with and identified tax savings for multistate and multinational SEC, Fortune 500 and large closely held companies and has experience with value-added and Canadian taxes.

Bob is a graduate of Northwest Missouri State University, Maryville, with a B.S. degree in accounting.



Bryan C. Neuendorf, CPA
Managing Director

Bryan has more than 25 years of experience providing state and local tax (SALT) services. He focuses on the management of SALT disputes, reviewing corporate state tax positions, implementing compliance systems, developing proactive strategies to reduce overall SALT costs and buy- and sell-side due diligence for clients. In addition, Bryan's tax experience includes corporate licensing, income and franchise, sales and use, excise, employment and withholding and real estate and personal property taxes.

Before joining BKD, he was a partner and SALT practice leader at a national accounting firm, senior tax manager at a railroad company and an auditor with the Kansas Department of Revenue.

Bryan is a member of the American Institute of CPAs, State of Kansas Chamber of Commerce tax committee and Heart of America Tax Institute. He also has written articles for **Midwest Contractor**, **Modern Builder** and **Kansas City Business Journal**.

He is a 1983 graduate of University of Northern Iowa, Cedar Falls, with a B.A. degree in accounting, and a 1992 graduate of Villanova University, Pennsylvania, with an M.T. degree.



J. Ernie Skyrme, CPA
Director

Ernie has more than 14 years of experience providing tax and audit services to governmental entities, not-for-profit organizations, financial institutions, small businesses and individuals. He is responsible for proactive tax planning and reviewing tax returns to assist clients in meeting governmental reporting or other regulatory financial disclosure requirements. He has experience with various tax matters, including accounting method changes, multistate taxation, audit representation and accounting income tax accruals. He also has been the in-charge on numerous audit engagements.

He is a member of the American Institute of CPAs and Arkansas Society of Certified Public Accountants. He also serves as a member of the Arkansas State University Accounting Advisory Board and on the professional advisory council at the Economics Arkansas Foundation.

Ernie is a 2001 graduate of Arkansas State University, Jonesboro, with a B.S. degree in accounting, and a 2003 graduate of University of Arkansas at Little Rock with an M.B.A. degree.

A Vendor shall provide a brief history of its company, to include the name and location of the company and any parent/subsidiary affiliation with other entities.

FIRM HISTORY

On January 2, 1923, five years after World War I, three enterprising CPAs—Baird, Kurtz and Dobson—opened offices in Kansas City and Joplin, Missouri, with \$1,700 in the bank. Since then, BKD has expanded to 35 offices* in 16 states* and is one of the largest CPA and advisory firms in the United States, serving clients in all 50 states and internationally. In 2008, BKD announced a firmwide restructuring into four regions and appointed five national industry partners. This expansion and restructuring has allowed BKD to better meet the needs of our clients in each region and/or industry.

We look forward to expanding upon our rich heritage and continuing to meet our clients' needs through our PRIDE values of passion, respect, integrity, discipline and excellence.

**As of December 31, 2016*

OFFICE LOCATIONS

ARKANSAS

Fort Smith
Little Rock
Rogers

COLORADO

Colorado Springs
Denver

ILLINOIS

Chicago
Decatur

INDIANA

Bloomington
Evansville
Fort Wayne
Indianapolis

IOWA

Des Moines

KANSAS

Wichita

**As of December 31, 2016*

KENTUCKY

Bowling Green
Louisville

MISSISSIPPI

Jackson

MISSOURI

Branson
Joplin
Kansas City
Springfield
St. Louis

NEBRASKA

Lincoln
Omaha

OHIO

Cincinnati

OKLAHOMA

Enid
Oklahoma City
Tulsa

PENNSYLVANIA

Erie
Pittsburgh

TENNESSEE

Nashville

TEXAS

Dallas
Houston
San Antonio
Waco

WISCONSIN*

Madison

SUBSIDIARIES

BKD Corporate Finance, LLC provides merger and acquisition, sales, management buyout, employee stock ownership plan (ESOP), recapitalization and financing services. Member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

BKD Foundation is our 501(c)(3) not-for-profit foundation that enriches BKD's local communities with financial support and our commitment of time.

BKD Wealth Advisors, LLC is an investment advisory firm registered with the Securities and Exchange Commission, providing the wealth management solutions of personal wealth planning, investment management and estate planning.

If a Vendor is utilizing the services of a subcontractor(s) for any of the service components listed, the Vendor shall include in its proposal response a brief history of the subcontractor's company to include the information requested herein.

We do not anticipate employing any other firm, affiliate or association member in completing the work for BLR.

A Vendor shall provide:

A brief professional history, including the number of years of experience in tax reform consulting or related experience and any professional affiliations and trade affiliations.

EXPERIENCE

As a top-tier firm that has been in business more than 90 years, we will develop a deep understanding of your organization, your needs and what it takes to help improve your performance. BKD and our subsidiaries offer clients a variety of services in accounting, audit and assurance, tax, risk management, technology, forensics and valuation, corporate finance and wealth management. We combine the insight and ideas of multiple disciplines to provide solutions to a wide range of industries, including government, not-for-profit, higher education, manufacturing, distribution, real estate, construction, financial services and health care. We have provided tax services since our inception.

AFFILIATIONS

BKD's firm and other professional affiliations include:

International Solutions – BKD is one of the largest U.S. members of Praxity, AISBL*, a global alliance of independent firms. We offer multinational clients a gateway to the global marketplace with services delivered by alliance firms that are committed to the highest standards required in international business.

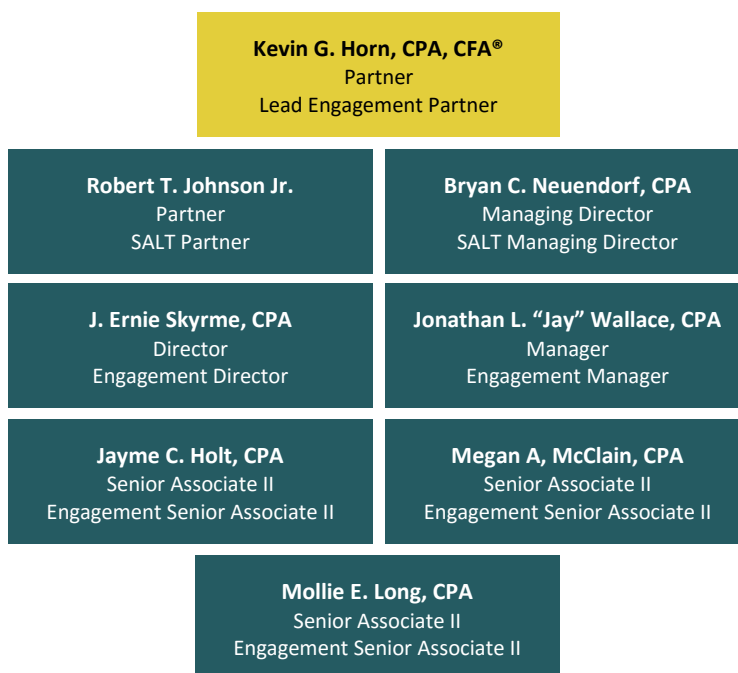
Professional Affiliations – As a member of the American Institute of CPAs (AICPA), BKD also is a member of its PCPS (Private Companies Practice Section) Firm Practice Center, and its three quality centers: Center for Audit Quality, Governmental Audit Quality Center and Employee Benefit Plan Audit Quality Center. BKD also is registered with the Public Company Accounting Oversight Board (PCAOB), which is required to serve as an independent auditor of public companies.

*Praxity, AISBL, is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity – Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

A listing of current accounts and the longevity of those accounts.

BKD has approximately 29, 220 clients and listing all of them would be too voluminous to include. Thus the longevity can vary, but many of our clients have been with us for multiple decades.

An organizational chart highlighting the names/positions that will be involved in the contract, including the individual who will be primarily responsible for managing the account on a day-to-day basis.



An outline of the Vendor’s or employees’ experience in tax reform assessment, research, and reporting.

BKD provides tax compliance and consulting services to clients in all 50 states. Our exposure to the various states’ tax laws provides us with the knowledge necessary to assist the Task Force and its objectives. We have assembled a qualified team to assist with developing ideas and recommendations for tax reform and will schedule them on the project according to their individual expertise. Our employees’ experience varies by years of service and technical expertise. Specific examples of our compliance and consulting services include:

- ▶▶ State and local income tax consulting and compliance
- ▶▶ Nexus studies
- ▶▶ Multistate tax planning
- ▶▶ Strategic tax planning
- ▶▶ Business structuring consulting
- ▶▶ Tax credits and incentives
- ▶▶ State and use tax exemptions
- ▶▶ Property tax compliance and planning

A full explanation of staffing, functions, and methodology to be used in areas of tax reform assessment and account management, identifying specifically the personnel that will be assigned to the account. All such personnel are subject to Task Force approval. Describe any staff functions that are considered unique to the account.

JOB DESCRIPTIONS

Responsibilities for partners, directors, managers and associates include the following:

ASSOCIATE

- ▶▶ Works with clients in a variety of industries
- ▶▶ Contributes to larger consulting engagements
- ▶▶ Prepares individual returns or assists with corporate, partnership, trust and estate returns

MANAGER

- ▶▶ Plans and manages tax compliance or consulting engagements
- ▶▶ Discusses issues with client management and conducts research
- ▶▶ Supervises associates
- ▶▶ Oversees research, handles reviews and assists in tax engagements

DIRECTOR

- ▶▶ Manages engagements
- ▶▶ Provides technical expertise and support
- ▶▶ Schedules and supervises associates

PARTNER

- ▶▶ Responsible for providing the best possible service
- ▶▶ Provides technical expertise and support
- ▶▶ Administers engagements

STAFF CONTINUITY

Continuity of staff assigned to engagements is one of our primary goals. Whenever possible, we keep a consistent client service team working for you. This helps reduce the learning curve and saves you the time, frustration and disruption of dealing with new advisors unfamiliar with your organization. Past experience is a primary determinant for assigning professionals to your engagement, and we assign individuals who are experienced in working with state and tax compliance and research. Though it is impossible for any firm to know the future career paths of its professionals, many BKD clients have been served by substantially the same BKD engagement team for years.

A detailed description of the plan for assisting the Task Force in meeting its goals and objectives, including how the requirements will be met and what assurances of efficiency and success the proposed approach will provide.

In working with organizations similar to BLR and the Task Force, we have developed an efficient approach that avoids wasted effort. We plan our work to leverage our existing research to help control costs, reduce unnecessary disruptions and meet deadlines.

The Task Force plays a major role in timely completion of the engagement. The periodic meetings with the Task Force and other legislative committees will serve as not only a status update meeting but will drive further research and recommendations.

PHASE 1: PLANNING

On the contract execution date, we will be available to begin the project as soon as possible. We will have our partners, directors, managers and associates ready to assign to the project. We envision a kickoff meeting with the Task Force to discuss its vision of the project would be beneficial to our team and the Task Force. It will allow the Task Force and BKD to learn more about one another and improve the focus of the project.

We will revisit current tax laws and vision of the project with our team in various meetings at the beginning of the project. We will outline an efficient and effective approach with the team to best use our time and various experience levels. We envision each person being assigned a specific research project focusing on a specific segment of tax initially. We will work from our local office or a location the Task Force chooses.

PHASE 2: RESEARCH/INFORMATION GATHERING

BKD will be able to leverage our existing in-depth knowledge of current Arkansas and surrounding states' tax laws. Our SALT experts will be able to brainstorm tax savings ideas that have been successful in other states. We will research these further as we dive deeper into specific statutes of Arkansas and other states' tax law. We will use our existing knowledge, additional research and data inquiries to assist the Task Force with its objectives. We also will be mindful of special requests from the Task Force or other legislative committees, such as researching a potential tax cut in a department of the state. During this phase, we will develop and document areas that we believe will assist the Task Force in meeting its objectives.

BKD will be present at monthly Task Force meetings to provide status updates, including answering questions and discussing further work requested by the Task Force. We also will be available to attend other legislative committees of the Arkansas General Assembly.

PHASE 3: PRELIMINARY REPORT & COMMUNICATIONS DELIVERY

We will develop a preliminary report that will first be reviewed by our quality control team. Our commitment to a smooth engagement also includes the timely delivery of our report. We will adhere to the preliminary report due date noted in the RFP. We anticipate the preliminary report to include, but not be limited to, current Arkansas tax law, the value of the current system and tax savings ideas for the future. Our dedicated team will be available to discuss the preliminary report at the Task Force's request.

PHASE 4: INTERIM PERIOD BETWEEN PRELIMINARY & FINAL REPORT

We expect the Task Force and other legislative committees to review the preliminary report and have several follow-up questions and research assignments for us. We will be available to attend required meetings to ultimately assist the Task Force with its objectives. We will revise our preliminary report as necessary as more research and questions are answered from this process. While we expect regularly scheduled meetings to occur during this time, we also will be respectful of the Task Force's time during the upcoming fiscal session in early 2018.

PHASE 5: FINAL REPORT & COMMUNICATIONS DELIVERY

After we wrap up final revisions of the report, we will adhere to the final report due date noted in the RFP. Our dedicated team will be available to discuss the preliminary report at the Task Force's request. BKD's goal is to present the Task Force with several tax reductions ideas to take to the 2019 regular session and meet its goals and objectives.

An indication of how soon after the contract award the personnel named would be available and indicate any possible scheduling conflicts that might exist during the period of the contract. Any other limitations on the availability to perform under this RFP or to attend meetings must be fully explained.

We expect to be available immediately after the contract award and foresee no scheduling conflicts. We will have the resources to allow the project to progress as expected and ultimately meet the schedule of events date.

An indication of the timeframe the Vendor would require to assist the Task Force in meeting its goals and objectives.

BKD is prepared to meet the deadlines outlined in your RFP.

Phase	Estimated Completion Date
Planning	September 29, 2017
Research/Information Gathering	October 27, 2017
Preliminary Report & Communications Delivery	December 1, 2017
Interim Period Between Preliminary & Final Report	June 29, 2018
Final Report & Communication Delivery	August 31, 2018

A detailed, narrative statement listing the three (3) most recent, comparable contracts (including contact information) that the Vendor has performed and the general history and experience of its organization.

Our clients are our best ambassadors, and we encourage you to contact them about their satisfaction with our services. The following clients have consented to discussing BKD's services and service delivery with you at your convenience.

Three recent, comparable contracts include the following entities:

REDACTED

At least two (2) samples of the Vendor's work on comparable projects.

BKD's professionals participate on both governmental and non-governmental committees and industry groups in various states. Recently, BKD assisted with legislation to clarify taxability of freight for sales and use tax purposes, participated in a working group of the economic impact on taxpayers for legislation change for a local earnings tax, participated as a committee member to study the impact of state legislation recently introduced for taxation of pass-through income for income tax purposes and frequently assists governmental economic departments to complete economic studies to assist in attracting new taxpayers to the state. Please see the Appendix for two samples of our work on comparable projects.

At least three (3) references from entities that have recent (within the last three (3) years) contract experience with the Vendor and are able to attest to the Vendor's work experience and qualifications relevant to this RFP.

The following clients have consented to discussing BKD's services and service delivery with you at your convenience.

REDACTED

A list of every business for which Vendor has performed, at any time during the past three (3) years, services substantially similar to those sought with this solicitation. Err on the side of inclusion; by submitting an offer, Vendor represents that the list is complete.

REDACTED

Of our approximate 29,220 clients, we perform state tax compliance and consulting work for thousands of them. The above mentioned clients are just a sample of the assistance we have provided to our clients on this subject matter.

List of failed projects, suspensions, debarments, and significant litigation.

To our knowledge, we have not failed to complete an engagement due to lack of ability on our part to perform the engagement. Neither BKD nor our partners or principals are currently or have ever been debarred, suspended or proposed for debarment by the federal government. As previously mentioned, details of litigation cannot be disclosed pursuant to confidentiality agreements; however, the results of litigation have never been material to the firm. Currently, there is no substantial litigation outstanding.

An outline or other information relating to why the Vendor's experience qualifies in meeting the specifications stated in Section 3 of this RFP.

Because virtually every decision the Task Force makes can have tax implications, it is critical to work with an advisor who can help you accurately reflect the Task Force's mission and operations. Beyond preparing thousands of state income and franchise tax returns annually, including hundreds of Arkansas income and sales and use tax returns for Arkansas businesses and individuals, BKD's tax professionals can accurately analyze various states' tax laws to assist the Task Force in meeting its goals and objectives.

Our tax advisors routinely monitor legislative activity, judicial rulings and regulatory guidance for changes that could affect you and provide timely alerts. This forward-looking approach can allow the Task Force to confidently plan for the future.

The Vendor should demonstrate the work the Vendor has done for clients during the past three (3) years and indicate which individual on its staff was responsible for the work. Referenced work should provide a clear indication of the types of tax reform consulting services that can be obtained for the Task Force.

REDACTED

A Vendor shall provide information on any conflict of interest with the objectives and goals of the Task Force that could result from other projects in which the Vendor is involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the response.

As previously mentioned, BKD has not had any professional relationship with BLR or the Task Force. No relationship exists that would constitute a conflict of interest relative to performing the proposed services.

A Vendor or its subcontractor(s) must list all clients that were lost between January 2014 and the present and the reason for the loss. The Task Force reserves the right to contact any accounts listed in this section. A Vendor must describe any contract disputes involving an amount of thirty-five thousand dollars (\$35,000) or more that the Vendor, or its subcontractor(s), has been involved in within the past two (2) years. Please indicate if the dispute(s) have been successfully resolved.

Similar to any service provider, we will from time to time lose a client. This usually occurs when a company changes ownership or when an entity requires a rotation of audit firms after a set number of years. To help protect the confidentiality of BKD clients, we are unable to disclose the names of specific former clients.

5.5.1 BACKGROUND INVESTIGATION

Vendors must allow the BLR to perform an investigation of the financial responsibility, security, and integrity of a Vendor submitting a bid, if required by the Task Force.

BKD acknowledges and understands the statements above.

5.6 SUBCONTRACTOR IDENTIFICATION

If Vendor intends to subcontract with another business for any portion of the work and that portion exceeds ten percent (10%) of the Proposal price, Vendor's offer must identify that business and the portion of work that they are to perform. Identify potential subcontractors by providing the business's name, address, phone, taxpayer identification number, and point of contact. In determining Vendor's responsibility, the Task Force may evaluate Vendor's proposed subcontractors.

As previously mentioned, we do not anticipate employing any other firm, affiliate or association member in completing the work for BLR.

SECTION 6. EVALUATION CRITERIA FOR SELECTION

6.0 GENERALLY

The Vendor should address each item listed in this RFP to be guaranteed a complete evaluation. After initial qualification of proposals, selection of the Successful Vendor will be determined in a meeting of the Task Force by evaluation of several factors.

The Task Force has developed evaluation criteria that will be used by the Task Force and that is incorporated in Section 6.1 of this RFP. Other agents of the Task Force may also examine documents.

The Task Force requires that the tax reform consulting services requested under this RFP be available for use by the Task Force the day after the Contract Execution Date. Submission of a proposal implies Vendor acceptance of the evaluation technique and Vendor recognition that subjective judgments must be made by the Task Force during the evaluation of the proposals.

The Task Force reserves, and a Vendor by submitting a Proposal grants to the Task Force, the right to obtain any information from any lawful source regarding the past business history, practices, and abilities of Vendor, its officers, directors, employees, owners, team members, partners, and/or subcontractors.

BKD acknowledges and understands the statements above.

6.1 EVALUATION CRITERIA

The following evaluation criteria are listed according to their relative importance; however, the difference between the importance assigned to any one criterion and the criteria immediately preceding and following is small:

Directly related experience

Price, including individual amounts and total maximum amount

Plan for providing services

Availability to perform work and attend meetings

Proposed schedule for providing services

Proposed personnel and the credentials of those assigned

Compliance with the requirements of the RFP; and

Past performance.

BKD acknowledges and understands the statements above.

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“Unmatched client service isn’t just a slogan at BKD; it’s the backbone of our culture.”

Theodore D. Dickman, CPA
Chief Executive Officer | BKD, LLP

APPENDIX

REQUEST FOR PROPOSAL



State of Arkansas Bureau of Legislative Research

Marty Garity, Director
Kevin Anderson, Assistant Director
for Fiscal Services
Matthew Miller, Assistant Director
for Legal Services
Richard Wilson, Assistant Director
for Research Services

REQUEST FOR PROPOSAL

RFP Number: BLR-170002	
Commodity: Tax Reform Consulting Services	Proposal Opening Date: August 10, 2017
Date: July 13, 2017	Proposal Opening Time: 4:30 P.M. CDT

PROPOSALS SHALL BE SUBMITTED IN HARD COPY AND ELECTRONIC FORMAT AND WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING, AND VENDOR'S RETURN ADDRESS. THE ELECTRONIC SUBMISSIONS SHOULD BE CLEARLY MARKED AS A PROPOSAL IN RESPONSE TO RFP NO. BLR-170002. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE BUREAU OF LEGISLATIVE RESEARCH.

Vendors are responsible for delivery of their proposal documents to the Bureau of Legislative Research prior to the scheduled time for opening of the particular proposal. When appropriate, Vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the Bureau of Legislative Research office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, and DHL, deliver mail to our street address, State Capitol Building, Room 315, Little Rock, Arkansas 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESS: 500 Woodlane Street State Capitol Building, Room 315 Little Rock, Arkansas 72201	PROPOSAL OPENING LOCATION: Bureau of Legislative Research Director's Office State Capitol Building, Room 315
E-MAIL: thayerj@blr.arkansas.gov	
TELEPHONE: (501) 682-1937	

Company Name: BKD, LLP

Name (type or print): Kevin G. Horn, CPA, CFA®

Title: Partner

Address: 400 West Capitol Avenue // Suite 2500 // Little Rock, AR 72201

Telephone Number: 501.372.1040

Fax Number: 501.372.1250

E-Mail Address: khorn@bkd.com

Signature: 

TAX IDENTIFICATION

USE INK ONLY; UNSIGNED PROPOSALS WILL NOT BE CONSIDERED

Identification: BKD, LLP	
Federal Employer ID Number 44-0160260	Social Security Number

**FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY
RESULT IN PROPOSAL REJECTION**

Business Designation (check one):	Individual []	Sole Proprietorship []	Public Service Corp []
	Partnership <input checked="" type="checkbox"/>	Corporation []	Government/ Nonprofit []

GENERAL DESCRIPTION:	Tax Reform Consulting Services
TYPE OF CONTRACT:	Term

MINORITY BUSINESS POLICY

Participation by minority businesses is encouraged in procurements by state agencies, and although it is not required, the Bureau of Legislative Research ("BLR") supports that policy. "Minority" is defined at Arkansas Code Annotated § 15-4-303 as "a lawful permanent resident of this state who is: (A) African American; (B) Hispanic American; (C) American Indian; (D) Asian American; (E) Pacific Islander American; or (F) A service-disabled veteran as designated by the United States Department of Veteran Affairs". "Minority business enterprise" is defined at Arkansas Code Annotated § 15-4-303 as "a business that is at least fifty-one percent (51%) owned by one (1) or more minority persons". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Vendors unable to include minority-owned businesses as subcontractors may explain the circumstances preventing minority inclusion.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Vendor shall submit a copy of the Vendor's Equal Opportunity Policy. EO Policies shall be submitted in hard copy and electronic format to the Director of the Bureau of Legislative Research accompanying the solicitation response. The Bureau of Legislative Research will maintain a file of all Vendor EO policies submitted in response to solicitations issued by the Bureau of Legislative Research. The submission is a one-time requirement, but Vendors are responsible for providing updates or changes to their respective policies.

EMPLOYMENT OF ILLEGAL IMMIGRANTS

The Vendor must certify prior to award of the contract that it does not employ or contract with any illegal immigrants in its contract with the Bureau of Legislative Research. Vendors shall certify online at <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new> . Any subcontractors used by the Vendor at the time of the Vendor's certification shall also certify that they do not employ or contract with any illegal immigrant. Certification by the subcontractors shall be submitted within thirty (30) days after contract execution.

DISCLOSURE FORMS

Completion of the EO-98-04 Governor's Executive Order contract disclosure forms located at <http://www.dfa.arkansas.gov/offices/procurement/Documents/contgrantform.pdf> is required as a condition of obtaining a contract with the Bureau of Legislative Research and must be submitted with the Vendor's response.

DFA ILLEGAL IMMIGRANT CONTRACTOR DISCLOSURE CERTIFICATION

DFA Illegal Immigrant Contractor Disclosure Certification

Illegal Immigrant Form

Vendor: BKD, LLP
Tax ID: 0260
Disclosure Statement: I certify that I **DO NOT** employ or contract with an illegal immigrant.
Contact E-mail: khorn@bkd.com
Submitted on: 08-03-17
Valid through: 08-02-18

CONTRACT & GRANT DISCLOSURE & CERTIFICATION FORM

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR: Yes No SUBCONTRACTOR NAME: _____

TAXPAYER ID NAME: _____ IS THIS FOR: Goods? Services? Both?

YOUR LAST NAME: _____ FIRST NAME: _____ MI: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____ COUNTRY: _____

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/ commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and how are they related to you? <small>[i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]</small>	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held <small>[senator, representative, name of board/ commission, data entry, etc.]</small>	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

None of the above applies

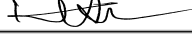
Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

- Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
- I will include the following language as a part of any agreement with a subcontractor:
Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
- No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title Partner Date 08/10/2017
Vendor Contact Person Kevin G. Horn, CPA, CFA® Title Partner Phone No. 501.372.1040

Agency use only
Agency Number _____ Agency Name _____ Agency Contact Person _____ Contact Phone No. _____ Contract or Grant No. _____

EQUAL OPPORTUNITY POLICY STATEMENT



Affirmative Action and Equal Employment Opportunity Policy

BKD, LLP (BKD) is firmly committed to Equal Employment Opportunity (EEO) and to compliance with all federal, state and local laws that prohibit employment discrimination on the basis of age, race, color, sex, sexual orientation, gender identity, national origin, religion, genetic information, disability, protected veteran status and other protected classifications. BKD will take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their age, race, color, sex, sexual orientation, gender identity, national origin, religion, genetic information, disability, protected veteran status and other protected classifications. Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. BKD agrees to post in conspicuous places, available to employees and applicants for employment, this Affirmative Action and EEO Policy.

BKD will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (1) in response to a formal complaint or charge, (2) in furtherance of an investigation, proceeding, hearing or action, including an investigation conducted by the employer, or (3) consistent with the contractor's legal duty to furnish information.

BKD will, in all solicitations or advancements for employees placed by or on behalf of BKD, state that all qualified applicants will receive consideration for employment without regard to age, race, color, sex, sexual orientation, gender identity, national origin, religion, genetic information, disability, protected veteran status and other protected classifications.

BKD shall base employment decisions on the principles of equal employment opportunity and with the intent to further BKD's commitment to affirmative action and equal employment. At no time will any covered employee, or covered applicant for employment, who exercises his/her rights pursuant to BKD's Affirmative Action program (AAP), be subject to discipline or have his/her opportunities for employment adversely affected. If you have an employment question or a concern about discrimination, discuss the matter with your managing partner, office designated person, director of human resources or me. You may also contact the EEO coordinator directly with your concerns.

BKD invites any employee or any applicant for employment to review BKD's written AAP, absent the data metrics required by §60-741.44(k). The AAP is available for inspection upon request during the hours of 8:00 a.m. - 5:00 p.m. Central time, Monday - Friday, in the Human Resources Department. Any questions should be directed to Rebecca Curry, BKD EEO coordinator.

Employees and applicants are invited to identify their race and gender, as well as to identify as an individual with a disability, disabled veteran or protected veteran. This self-identification is strictly voluntary and confidential and will not result in retaliation of any sort.

A handwritten signature in black ink, appearing to read "Theodore D. Dickman".

Theodore D. Dickman, CPA
Chief Executive Officer

March 1, 2017 - February 28, 2018
Plan Year



EEO Policy Statement Reaffirming Commitment to EEO

In setting forth this plan, BKD reaffirms its belief in and commitment to affirmative action and equal employment opportunity for all employees and applicants for employment in all terms and conditions of employment.

Rebecca Curry has been appointed by Theodore D. Dickman, chief executive officer, as BKD EEO coordinator. Rebecca Curry oversees the plan development, modification, implementation and reporting requirements. Rebecca Curry is responsible for conducting annual management updates. The EEO coordinator also identifies and analyzes BKD's selection process in order to further the principles of equal employment opportunity.

As part of BKD's commitment to equal employment opportunity, it will seek to ensure that all personnel activities, including but not limited to recruitment, selection, training, compensation, benefits, promotion, transfer, layoff and termination processes, remain free of any discrimination based upon age, race, color, sex, sexual orientation, gender identity, national origin, religion, genetic information, disability, protected veteran status and other protected classifications.

If you have an employment question or a concern about discrimination, discuss the matter with your managing partner, office designated person, director of human resources or me. You may also contact the EEO coordinator directly with your concerns.

In accordance with Section 503 of the *Rehabilitation Act of 1973*, *Vietnam Era Veterans Readjustment Assistance Act of 1974* and the *Veterans Employment Opportunity Act of 1998*, BKD is committed to providing equal employment opportunities to individuals with a disability, disabled veterans, recently separated veterans, active duty wartime or campaign badge veterans and Armed Forces service medal veterans.

Employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in any of the following activities: (1) filing a complaint; (2) assisting or participating in an investigation, compliance review, hearing or any other activity related to the administration of Section 503 of the *Rehabilitation Act of 1973*, as amended, *Vietnam Era Veterans Readjustment Assistance Act of 1974*, as amended, or any other federal, state or local law requiring equal opportunity for persons with disabilities or disabled veterans or protected veterans; (3) opposing any act or practice made unlawful by Section 503 of the *Rehabilitation Act of 1973*, as amended, the *Vietnam Era Veterans Readjustment Assistance Act of 1974*, as amended, or any other federal, state or local law requiring equal opportunity for disabled persons or disabled veterans or protected veterans; or (4) exercising any other right protected by Section 503 of the *Rehabilitation Act of 1973*, as amended, or any other right protected by the *Vietnam Era Veterans Readjustment Assistance Act of 1974*, as amended.

A handwritten signature in black ink, appearing to read "Theodore D. Dickman".

Theodore D. Dickman, CPA
Chief Executive Officer

March 1, 2017 - February 28, 2018
Plan Year



Arkansas State Board of Public Accountancy

101 East Capitol, Suite 450, Little Rock, AR 72201-1201

LICENSE

as an entity of **CERTIFIED PUBLIC ACCOUNTANTS** for the calendar year 2017

BKD, LLP 28LP
P.O. BOX 1900
SPRINGFIELD, MO 65801



Issue Date: 12/07/2016
Issue Type: Main Office
License Expires 12/31/2017

SAMPLE CONTRACT

SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
AS REQUIRED BY ARKANSAS CODE 19-11-1006

Out-of-State Contracts

1. Agency: Health Department		Contractor: BKD Corporate Finance LLC	State: MO
		Location: Springfield	
Total Authorized:		Org. Term: 11/01/2015 06/30/2016	Procurement: RFQ
Total After Review:	\$900,000.00	Funding: Other - 100% - Reimbursement-100%	
Total Projected:	\$900,000.00	Contract Number: 4600036174	
Org/Amt:	Amount	Paid To Date	Objective:
			New Exp Date
Original:	900,000.00		Third party consultant to assist Arkansas Department of Health in the brokering, marketing and transitioning of ADH In Home Services to the private sector.

REDACTED

PROJECT CADRE

OCTOBER 10, 2016

experience **BKD**
CPAs & Advisors

Project Cadre Comparison

		Missouri		Colorado	Illinois	Indiana	Kansas
		Moberly Area	Boone Co Area				
Corporate Tax Rate¹		6.25%	6.25%	4.63%	5.25%, plus 2.5% replacement tax	6.25%	4% plus 3% surtax over \$50,000
	Apportionment Method	May elect single sales factor	May elect single sales factor	Single sales factor	Single sales factor	Single sales factor	3-factor formula
	Throwback Rule	No - Only sales sold to MO customers are included in the denominator. Sales to states taxpayer is not required to filed income tax returns are not reported to MO.	No - Only sales sold to MO customers are included in the denominator. Sales to states taxpayer is not required to filed income tax returns are not reported to MO.	Yes	Yes	No - Only sales sold to IN customers are included in the denominator. Sales to states taxpayer is not required to filed income tax returns are not reported to IN.	Yes
Personal Tax Rate		Ranges from 1.5% to 6.0%	Ranges from 1.5% to 6.0%	4.63%	3.75%	3.30%	Ranges from 2.7% to 4.6%
Sales Tax Rate²		8.475%	8.475%	6.100% ³	8.450% ³	7.000% ³	8.250% ³
Sales/Use Exemptions		Yes	Yes	Generally yes	Yes	Yes	Yes
	Manufacturing Machinery & equipment - including repair parts	Exempt	Exempt	Generally exempt - if greater than \$500	Exempt	Exempt	Exempt
	Utilities for manufacturing	Exempt - based on square footage method	Exempt - based on square footage method	Taxable	Exempt - but subject to IL excise taxes	Exempt - must preform a utility study	Exempt - must perform a utility study
	Warehouse equipment (after production)	Taxable - manufacturing process ends at packaging	Taxable - manufacturing process ends at packaging	Taxable - manufacturing process ends at packaging	Taxable - possible exemption if located in EZ.	Exempt	Exempt
	Software	Exempt - if downloaded electronically	Exempt - if downloaded electronically	Exempt - if downloaded electronically	Exempt - if downloaded electronically and meets other qualifications	Taxable	Taxable
	Installation services	Exempt - if separately stated	Exempt - if separately stated	Exempt - if separately stated	Taxable	Exempt - if separately stated	Taxable
	Repair services	Exempt - if separately stated	Exempt - if separately stated	Exempt - if separately stated	Exempt - if separately stated	Exempt - if separately stated	Taxable

Project Cadre Comparison

		Missouri		Colorado	Illinois	Indiana	Kansas
		Moberly Area	Boone Co Area				
Personal Property Tax		100% exemption for 15 year - Estimated tax savings of \$6,009,480	50% exemption for 10 years - Estimated tax savings of \$2,601,446	100% exemption for up to 10 years <u>possible</u> . If exemption is obtained, estimated tax savings of \$6,692,318	Illinois exempts business equipment from personal property taxes. Estimated tax savings of \$11,071,547	Generally Taxable - Partial exemption for 10 years under Economic Revitalization Area program; declines from 100% abatement in first year to 0%. If exemption is obtained, estimated tax savings of \$3,466,068	Kansas exempts business equipment from personal property taxes - Estimated tax savings of \$18,511,520
Real Property Tax		100% exemption for 15 year - Estimated tax savings of \$2,617,568	50% exemption for 10 years - Estimated tax savings of \$906,662	100% exemption for up to 10 years <u>possible</u> . If exemption is obtained, estimated tax savings of \$1,720,425	100% exemption for new construction up to 10 years <u>possible</u> . If exemption is obtained, potential tax savings of \$1,846,036	Generally Taxable - Partial exemption for 10 years under Economic Revitalization Area program; declines from 100% abatement in first year to 0%. IF exemption is obtained, estimated tax savings of \$1,173,915	Generally Taxable - Industrial Revenue Bonds may be available to provide abatement of real property taxes up to 100% for up to 10 years - Estimated tax savings of \$3,164,000
Tax Credits/Incentives		Missouri Works (new job incentives), real estate tax abatement, Ch. 100 bond (sales tax exemption) for new equipment, training funds	Missouri Works (new job incentives), real estate tax abatement, Ch. 100 bond (sales tax exemption) for new equipment, training funds	Job Growth Incentive Tax Credits, Enterprise Zone Program (depending on location), training funds	Illinois EDGE (new job incentives - due to "sunset" on 12-31-16), Enterprise Zone Program (depending on location), training funds	Indiana EDGE (new job incentives), HBI (investment tax credit), training programs	HPIP (investment income tax credit), PEAK (new job incentives), training funds

1. It is unknown which states the taxpayer is required to file income tax returns.
2. Rates may vary depending on where in a city a facility may be located due to special district taxes, etc.
3. Average combined state/city/county rates for each state.

Personal Property	Year	Cost* Phase 1	% Good Phase 1	Cost* Phase 2	% Good Phase 2	Market Value	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment
1	54,000,000	89.29%				46,218,000	33.33%	16,070,693	7.05000%	1,134,584	100%	1,134,584	0
2	54,000,000	70.16%				37,898,400	33.33%	12,622,837	7.05000%	891,504	100%	891,504	0
3	54,000,000	55.13%	10,000,000	89.29%		38,698,200	33.33%	12,898,443	7.13060%	919,736	100%	919,736	0
4	54,000,000	42.88%	10,000,000	70.16%		30,171,200	33.33%	10,066,061	7.13060%	717,057	100%	717,057	0
5	54,000,000	30.63%	10,000,000	55.13%		22,053,200	33.33%	7,360,332	7.20120%	529,312	100%	529,312	0
6	54,000,000	18.38%	10,000,000	42.88%		14,213,200	33.33%	4,737,260	7.20120%	341,140	100%	341,140	0
7	54,000,000	10.00%	10,000,000	30.63%		8,483,000	33.33%	2,820,718	7.27180%	205,117	100%	205,117	0
8	54,000,000	10.00%	10,000,000	18.38%		7,238,000	33.33%	2,412,425	7.27180%	175,427	100%	175,427	0
9	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.30710%	155,869	100%	155,869	0
10	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.30710%	155,869	100%	155,869	0
11	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34240%	156,622	100%	156,622	0
12	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34240%	156,622	100%	156,622	0
13	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34240%	156,622	100%	156,622	0
14	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34240%	156,622	100%	156,622	0
15	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.37770%	157,375	100%	157,375	0
16	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.37770%	157,375	0%	0	157,375
17	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.37770%	157,375	0%	0	157,375
18	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.41300%	158,128	0%	0	158,128
19	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.41300%	158,128	0%	0	158,128
20	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.41300%	158,128	0%	0	158,128
Total Abatement												6,009,480	786,135

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment	
1	Commercial Sur Charge is not abated	9,800,000	32.00%	3,072,000	7.19000%	220,877	100%	220,877	3,994	
2	during period of abatement	6,400,000	32.00%	2,048,000	7.19000%	147,251	100%	147,251	2,662	
3		9,100,000	32.00%	2,912,000	7.26190%	211,467	100%	211,467	3,786	
4		9,100,000	32.00%	2,912,000	7.26190%	211,467	100%	211,467	3,786	
5		9,100,000	32.00%	2,912,000	7.33380%	213,560	100%	213,560	3,786	
6		9,100,000	32.00%	2,912,000	7.33380%	213,560	100%	213,560	3,786	
7		7,800,000	32.00%	2,496,000	7.40570%	184,846	100%	184,846	3,245	
8		7,800,000	32.00%	2,496,000	7.40570%	184,846	100%	184,846	3,245	
9		7,150,000	32.00%	2,288,000	7.44165%	170,265	100%	170,265	2,974	
10		7,150,000	32.00%	2,288,000	7.44165%	170,265	100%	170,265	2,974	
11		6,500,000	32.00%	2,080,000	7.47760%	155,534	100%	155,534	2,704	
12		6,500,000	32.00%	2,080,000	7.47760%	155,534	100%	155,534	2,704	
13		6,500,000	32.00%	2,080,000	7.47760%	155,534	100%	155,534	2,704	
14		6,500,000	32.00%	2,080,000	7.47760%	155,534	100%	155,534	2,704	
15		5,850,000	32.00%	1,872,000	7.51355%	140,654	100%	140,654	2,434	
16	Tax Rate Includes Sur Charge	5,850,000	32.00%	1,872,000	7.51355%	140,654	0%	0	140,654	
17		5,200,000	32.00%	1,664,000	7.51355%	125,025	0%	0	125,025	
18		5,200,000	32.00%	1,664,000	7.54950%	125,624	0%	0	125,624	
19		5,200,000	32.00%	1,664,000	7.54950%	125,624	0%	0	125,624	
20		5,200,000	32.00%	1,664,000	7.54950%	125,624	0%	0	125,624	
Total Abatement									2,691,194	690,037

*Personal Property Costs should be reduced by the removal of installation, freight, labor and other intangible costs, generally estimated at 25-30%. This reduction has not been made in this calculation. Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.

Total Property Tax Abatement 8,700,674

- Moberly Tax Rates-2016
- State 0.0300
- County Revenue 0.2381
- County Road & Bridge 0.1029
- Library 0.2407
- Ambulance 0.0000
- Health 0.1443
- RCDDR 0.1432
- Moberly City 1.0522
- Moberly Schools 4.6717
- Fire District (Avg) 0.265
- Moberly Road Dist 0.0919
- Personal Total 7.0600

- Commercial Sur Tax 0.13
- Real Property Total 7.1900

Personal Property	Year	Cost* Phase 1	% Good Phase 1	Cost* Phase 2	% Good Phase 2	Market Value	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment
1	54,000,000	89.29%				46,218,600	33.33%	16,070,693	7.02930%	1,129,850	50%	564,825	564,825
2	54,000,000	70.16%				37,898,400	33.33%	12,627,837	7.02930%	897,827	50%	443,914	443,914
3	54,000,000	55.13%	10,000,000	89.29%		38,698,200	33.33%	12,898,443	7.09959%	915,737	50%	457,868	457,868
4	54,000,000	42.88%	10,000,000	70.16%		30,171,200	33.33%	10,066,061	7.09959%	713,936	50%	356,970	356,970
5	54,000,000	30.63%	10,000,000	55.13%		22,053,200	33.33%	7,360,332	7.16989%	527,010	50%	263,505	263,505
6	54,000,000	18.38%	10,000,000	42.88%		14,213,200	33.33%	4,737,260	7.16989%	339,656	50%	169,828	169,828
7	54,000,000	10.00%	10,000,000	30.63%		8,483,000	33.33%	2,820,718	7.24018%	204,225	50%	102,113	102,113
8	54,000,000	10.00%	10,000,000	18.38%		7,238,000	33.33%	2,412,425	7.24018%	174,664	50%	87,332	87,332
9	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.27533%	155,191	50%	77,596	77,596
10	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.27533%	155,191	50%	77,596	77,596
11	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.31047%	155,941	0%	0	155,941
12	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.31047%	155,941	0%	0	155,941
13	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.31047%	155,941	0%	0	155,941
14	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.31047%	155,941	0%	0	155,941
15	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34562%	156,691	0%	0	156,691
16	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34562%	156,691	0%	0	156,691
17	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.34562%	156,691	0%	0	156,691
18	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.38077%	157,441	0%	0	157,441
19	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.38077%	157,441	0%	0	157,441
20	54,000,000	10.00%	10,000,000	10.00%		6,400,000	33.33%	2,133,120	7.38077%	157,441	0%	0	157,441
Total Abatement												2,601,446	4,167,605

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment	
1	Commercial Sur Charge is not abated during period of abatement	6,400,000	32.00%	2,048,000	7.02930%	143,960	50%	71,980	84,473	
2		6,400,000	32.00%	2,048,000	7.02930%	143,960	50%	71,980	84,473	
3		9,100,000	32.00%	2,912,000	7.09959%	206,740	50%	103,370	121,133	
4		9,100,000	32.00%	2,912,000	7.09959%	206,740	50%	103,370	121,133	
5		9,100,000	32.00%	2,912,000	7.16989%	208,787	50%	104,394	122,157	
6		9,100,000	32.00%	2,912,000	7.16989%	208,787	50%	104,394	122,157	
7		7,800,000	32.00%	2,496,000	7.24018%	180,715	50%	90,357	105,583	
8		7,800,000	32.00%	2,496,000	7.24018%	180,715	50%	90,357	105,583	
9		7,150,000	32.00%	2,288,000	7.27533%	166,459	50%	83,230	97,187	
10		7,150,000	32.00%	2,288,000	7.27533%	166,459	50%	83,230	97,187	
11	Tax Rate includes Sur Charge	6,500,000	32.00%	2,080,000	7.94487%	165,253	0%	0	165,253	
12		6,500,000	32.00%	2,080,000	7.94487%	165,253	0%	0	165,253	
13		6,500,000	32.00%	2,080,000	7.94487%	165,253	0%	0	165,253	
14		6,500,000	32.00%	2,080,000	7.94487%	165,253	0%	0	165,253	
15		5,850,000	32.00%	1,872,000	7.98307%	149,443	0%	0	149,443	
16		5,850,000	32.00%	1,872,000	7.98307%	149,443	0%	0	149,443	
17		5,200,000	32.00%	1,664,000	7.98307%	132,838	0%	0	132,838	
18		5,200,000	32.00%	1,664,000	8.02127%	133,474	0%	0	133,474	
19		5,200,000	32.00%	1,664,000	8.02127%	133,474	0%	0	133,474	
20		5,200,000	32.00%	1,664,000	8.02127%	133,474	0%	0	133,474	
Total Abatement									906,662	2,554,224

*Personal Property Costs should be reduced by the removal of installation, freight, labor and other intangible costs, generally estimated at 25-30%. This reduction has not been made in this calculation. Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.

Total Property Tax Abatement 3,508,108

Columbia Tax Rates-2016

State	0.0300
County Revenue	0.1200
Common Road	0.0500
Library	0.3091
County Group Home	0.1146
City of Columbia	0.41
Moberly Schools	5.9566
Personal Total	7.0293

Commercial Sur Tax	0.61	This portion is not abated on real property
Real Property Total	7.6393	

Indiana

Estimate of Tax Abatement Value

Personal Property	Year	Cost Phase 1	% Good* Phase 1	Cost Phase 2	% Good* Phase 2	Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment
	1	54,000,000	42.00%			21,800,000	100.00%	21,800,000	3.000000%	648,000	100%	648,000	0
	2	54,000,000	56.00%			30,240,000	100.00%	30,240,000	3.000000%	907,200	88%	788,336	108,864
	3	54,000,000	42.00%	10,000,000	40.00%	26,680,000	100.00%	26,680,000	3.000000%	800,400	77%	616,308	184,092
	4	54,000,000	32.00%	10,000,000	56.00%	22,880,000	100.00%	22,880,000	3.000000%	686,400	69%	453,024	233,376
	5	54,000,000	24.00%	10,000,000	42.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	55%	316,800	259,200
	6	54,000,000	16.00%	10,000,000	32.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	44%	253,440	322,560
	7	54,000,000	15.00%	10,000,000	24.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	33%	190,080	385,920
	8	54,000,000	15.00%	10,000,000	18.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	22%	126,720	449,280
	9	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	11%	63,360	512,640
	10	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	11	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	12	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	13	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	14	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	15	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	16	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	17	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	18	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	19	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
	20	54,000,000	15.00%	10,000,000	15.00%	19,200,000	100.00%	19,200,000	3.000000%	576,000	0%	0	576,000
Total Abatement											3,466,088	8,791,952	

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment	
	1	6,400,000	100.00%	6,400,000	3.000000%	192,000	100%	192,000	0	
	2	6,400,000	100.00%	6,400,000	3.000000%	192,000	88%	168,960	23,040	
	3	9,100,000	100.00%	9,100,000	3.000000%	273,000	77%	210,210	62,790	
	4	9,100,000	100.00%	9,100,000	3.000000%	273,000	69%	180,180	92,820	
	5	9,100,000	100.00%	9,100,000	3.000000%	273,000	55%	150,150	122,850	
	6	9,100,000	100.00%	9,100,000	3.000000%	273,000	44%	120,120	152,880	
	7	7,800,000	100.00%	7,800,000	3.000000%	234,000	33%	77,220	156,780	
	8	7,800,000	100.00%	7,800,000	3.000000%	234,000	22%	51,480	182,520	
	9	7,150,000	100.00%	7,150,000	3.000000%	214,500	11%	23,595	190,905	
	10	7,150,000	100.00%	7,150,000	3.000000%	214,500	0%	0	214,500	
	11	6,500,000	100.00%	6,500,000	3.000000%	195,000	0%	0	195,000	
	12	6,500,000	100.00%	6,500,000	3.000000%	195,000	0%	0	195,000	
	13	6,500,000	100.00%	6,500,000	3.000000%	195,000	0%	0	195,000	
	14	6,500,000	100.00%	6,500,000	3.000000%	195,000	0%	0	195,000	
	15	5,850,000	100.00%	5,850,000	3.000000%	175,500	0%	0	175,500	
	16	5,850,000	100.00%	5,850,000	3.000000%	175,500	0%	0	175,500	
	17	5,200,000	100.00%	5,200,000	3.000000%	156,000	0%	0	156,000	
	18	5,200,000	100.00%	5,200,000	3.000000%	156,000	0%	0	156,000	
	19	5,200,000	100.00%	5,200,000	3.000000%	156,000	0%	0	156,000	
	20	5,200,000	100.00%	5,200,000	3.000000%	156,000	0%	0	156,000	
Total Abatement									1,173,915	2,954,085

*Indiana assessment rules provide that personal property is valued at no less than 30% of the total original cost of the property. With total personal property investment at \$64,000,000, 30% is \$19,200,000. This is adjusted in years 5 through 20.

Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.

Total Property Tax Abatement 4,639,983

Tax Rate Note: Indiana caps property tax rates at 3%, with information as to a specific county and city, the exact tax rate can be identified.

Abatement Project Note: A separate abatement could be requested for Phase 2, which would reduce the taxable value with abatement on real and personal property starting over at 100%. This has not been included in the calculation.

Personal Property	Year	Cost Phase 1	% Good* Phase 1	Cost Phase 2	% Good* Phase 2	Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level*	Abated Tax	Tax Payment
1		54,000,000	87.50%			47,250,000	25.00%	11,812,500	18.00000%	1,800,000	100%	1,800,000	0
2		54,000,000	71.40%			38,556,000	25.00%	9,639,000	18.00000%	1,542,240	100%	1,542,240	0
3		54,000,000	57.50%	10,000,000	87.50%	38,800,000	25.00%	9,950,000	18.00000%	1,592,000	100%	1,592,000	0
4		54,000,000	42.30%	10,000,000	71.40%	29,982,000	25.00%	7,495,500	18.00000%	1,199,280	100%	1,199,280	0
5		54,000,000	37.50%	10,000,000	57.50%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
6		54,000,000	28.60%	10,000,000	42.30%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
7		54,000,000	20.00%	10,000,000	37.50%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
8		54,000,000	20.00%	10,000,000	28.60%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
9		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
10		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
11		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
12		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
13		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
14		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
15		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
16		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
17		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
18		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
19		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
20		54,000,000	20.00%	10,000,000	20.00%	19,200,000	25.00%	4,800,000	18.00000%	768,000	100%	768,000	0
Total Abatement												18,511,520	

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment
1		6,400,000	25.00%	1,600,000	18.00000%	288,000	100%	288,000	0
2		6,400,000	25.00%	1,600,000	18.00000%	288,000	100%	288,000	0
3		9,100,000	25.00%	2,275,000	18.00000%	364,000	100%	364,000	0
4		9,100,000	25.00%	2,275,000	18.00000%	364,000	100%	364,000	0
5		9,100,000	25.00%	2,275,000	18.00000%	364,000	100%	364,000	0
6		9,100,000	25.00%	2,275,000	18.00000%	364,000	100%	364,000	0
7		7,800,000	25.00%	1,950,000	18.00000%	312,000	100%	312,000	0
8		7,800,000	25.00%	1,950,000	18.00000%	312,000	100%	312,000	0
9		7,150,000	25.00%	1,787,500	18.00000%	286,000	100%	286,000	0
10		7,150,000	25.00%	1,787,500	18.00000%	286,000	100%	286,000	0
11		6,500,000	25.00%	1,625,000	18.00000%	260,000	0%	0	260,000
12		6,500,000	25.00%	1,625,000	18.00000%	260,000	0%	0	260,000
13		6,500,000	25.00%	1,625,000	18.00000%	260,000	0%	0	260,000
14		6,500,000	25.00%	1,625,000	18.00000%	260,000	0%	0	260,000
15		5,850,000	25.00%	1,462,500	18.00000%	234,000	0%	0	234,000
16		5,850,000	25.00%	1,462,500	18.00000%	234,000	0%	0	234,000
17		5,200,000	25.00%	1,300,000	18.00000%	208,000	0%	0	208,000
18		5,200,000	25.00%	1,300,000	18.00000%	208,000	0%	0	208,000
19		5,200,000	25.00%	1,300,000	18.00000%	208,000	0%	0	208,000
20		5,200,000	25.00%	1,300,000	18.00000%	208,000	0%	0	208,000
Total Abatement									3,164,000

*Kansas exempts all commercial and industrial machinery and equipment purchased after June 30, 2006. Calculation shown only to demonstrate benefit.
 Real property purchase through Industrial Revenue Bond financing may be eligible for a property exemption up to 100% for 10 years.
 Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.
Total Property Tax Abatement 21,675,520

Tax Rate Note: Kansas property tax rates vary greatly depending upon location. The 16% tax rate used here is representative of more rural communities as of 2015 rates.

Illinois

Estimate of Tax Abatement Value

Personal Property	Year	Cost Phase 1	% Good* Phase 1	Cost Phase 2	% Good* Phase 2	Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level*	Abated Tax	Tax Payment
	1	54,000,000	85.00%			45,900,000	33.34%	15,303,960	7.00000%	1,071,214	100%	1,071,214	0
	2	54,000,000	75.00%			42,500,000	33.34%	13,502,700	7.00000%	945,189	100%	945,189	0
	3	54,000,000	65.00%	10,000,000	85.00%	43,600,000	33.34%	14,536,240	7.00000%	1,017,537	100%	1,017,537	0
	4	54,000,000	55.00%	10,000,000	75.00%	37,200,000	33.34%	12,402,480	7.00000%	868,174	100%	868,174	0
	5	54,000,000	45.00%	10,000,000	65.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	6	54,000,000	35.00%	10,000,000	55.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	7	54,000,000	25.00%	10,000,000	45.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	8	54,000,000	20.00%	10,000,000	35.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	9	54,000,000	20.00%	10,000,000	25.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	10	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	11	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	12	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	13	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	14	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	15	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	16	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	17	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	18	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	19	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
	20	54,000,000	20.00%	10,000,000	20.00%	19,200,000	33.34%	6,401,280	7.00000%	448,090	100%	448,090	0
Total Abatement												11,071,547	0

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment
	1	6,400,000	33.34%	2,133,760	7.00000%	149,363	100%	149,363	0
	2	6,400,000	33.34%	2,133,760	7.00000%	149,363	100%	149,363	0
	3	9,100,000	33.34%	3,033,940	7.00000%	212,376	100%	212,376	0
	4	9,100,000	33.34%	3,033,940	7.00000%	212,376	100%	212,376	0
	5	9,100,000	33.34%	3,033,940	7.00000%	212,376	100%	212,376	0
	6	9,100,000	33.34%	3,033,940	7.00000%	212,376	100%	212,376	0
	7	7,800,000	33.34%	2,600,520	7.00000%	182,036	100%	182,036	0
	8	7,800,000	33.34%	2,600,520	7.00000%	182,036	100%	182,036	0
	9	7,150,000	33.34%	2,383,810	7.00000%	166,867	100%	166,867	0
	10	7,150,000	33.34%	2,383,810	7.00000%	166,867	100%	166,867	0
	11	6,500,000	33.34%	2,167,100	7.00000%	151,697	0%	0	151,697
	12	6,500,000	33.34%	2,167,100	7.00000%	151,697	0%	0	151,697
	13	6,500,000	33.34%	2,167,100	7.00000%	151,697	0%	0	151,697
	14	6,500,000	33.34%	2,167,100	7.00000%	151,697	0%	0	151,697
	15	5,850,000	33.34%	1,950,390	7.00000%	136,527	0%	0	136,527
	16	5,850,000	33.34%	1,950,390	7.00000%	136,527	0%	0	136,527
	17	5,200,000	33.34%	1,733,680	7.00000%	121,358	0%	0	121,358
	18	5,200,000	33.34%	1,733,680	7.00000%	121,358	0%	0	121,358
	19	5,200,000	33.34%	1,733,680	7.00000%	121,358	0%	0	121,358
	20	5,200,000	33.34%	1,733,680	7.00000%	121,358	0%	0	121,358
Total Abatement								1,846,036	1,365,273

**Illinois exempts business personal property but broadly defines permanent fixtures to real property which may include property that would otherwise be considered to be personal property. No business personal property valuation standards exist and the calculations shown here are only to represent potential savings. With the information presently available, we cannot forecast what items of equipment may be considered as real property and included in that value. The real property abatement is what may be possible for new construction in an enterprise zone. Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.*

Total Property Tax Abatement 12,917,583

Tax Rate Note: The 7% tax rate used is an average based upon current information without a specific location.

Personal Property	Year	Cost Phase 1	% Good* Phase 1	Cost Phase 2	% Good* Phase 2	Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level*	Abated Tax	Tax Payment
1		54,000,000	92.00%			49,850,000	29.00%	14,407,200	7.50000%	1,080,540	100%	1,080,540	0
2		54,000,000	84.84%			45,813,600	29.00%	13,285,944	7.50000%	996,446	100%	996,446	0
3		54,000,000	77.52%	10,000,000	92.00%	51,060,800	29.00%	14,807,632	7.50000%	1,110,572	100%	1,110,572	0
4		54,000,000	69.36%	10,000,000	84.84%	45,938,400	29.00%	13,322,136	7.50000%	999,160	100%	999,160	0
5		54,000,000	61.95%	10,000,000	77.52%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
6		54,000,000	55.08%	10,000,000	69.36%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
7		54,000,000	46.44%	10,000,000	61.95%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
8		54,000,000	38.50%	10,000,000	55.08%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
9		54,000,000	32.20%	10,000,000	46.44%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
10		54,000,000	26.40%	10,000,000	38.50%	19,200,000	29.00%	5,568,000	7.50000%	417,600	100%	417,600	0
11		54,000,000	18.90%	10,000,000	32.20%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
12		54,000,000	18.90%	10,000,000	26.40%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
13		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
14		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
15		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
16		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
17		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
18		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
19		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
20		54,000,000	18.90%	10,000,000	18.90%	19,200,000	29.00%	5,568,000	7.50000%	417,600	0%	0	417,600
Total Abatement												6,692,318	4,176,000

Real Property	Year	Estimated Market Value*	Assessment Ratio	Assessed Value	Tax Rate	Tax Amount	Abatement Level	Abated Tax	Tax Payment	
1		6,400,000	29.00%	1,856,000	7.50000%	139,200	100%	139,200	0	
2		6,400,000	29.00%	1,856,000	7.50000%	139,200	100%	139,200	0	
3		9,100,000	29.00%	2,639,000	7.50000%	197,925	100%	197,925	0	
4		9,100,000	29.00%	2,639,000	7.50000%	197,925	100%	197,925	0	
5		9,100,000	29.00%	2,639,000	7.50000%	197,925	100%	197,925	0	
6		9,100,000	29.00%	2,639,000	7.50000%	197,925	100%	197,925	0	
7		7,800,000	29.00%	2,262,000	7.50000%	169,650	100%	169,650	0	
8		7,800,000	29.00%	2,262,000	7.50000%	169,650	100%	169,650	0	
9		7,150,000	29.00%	2,073,500	7.50000%	155,513	100%	155,513	0	
10		7,150,000	29.00%	2,073,500	7.50000%	155,513	100%	155,513	0	
11		6,500,000	29.00%	1,885,000	7.50000%	141,375	0%	0	141,375	
12		6,500,000	29.00%	1,885,000	7.50000%	141,375	0%	0	141,375	
13		6,500,000	29.00%	1,885,000	7.50000%	141,375	0%	0	141,375	
14		6,500,000	29.00%	1,885,000	7.50000%	141,375	0%	0	141,375	
15		5,850,000	29.00%	1,696,500	7.50000%	127,238	0%	0	127,238	
16		5,850,000	29.00%	1,696,500	7.50000%	127,238	0%	0	127,238	
17		5,200,000	29.00%	1,508,000	7.50000%	113,100	0%	0	113,100	
18		5,200,000	29.00%	1,508,000	7.50000%	113,100	0%	0	113,100	
19		5,200,000	29.00%	1,508,000	7.50000%	113,100	0%	0	113,100	
20		5,200,000	29.00%	1,508,000	7.50000%	113,100	0%	0	113,100	
Total Abatement									1,720,425	1,272,375

*Local jurisdictions may provide property tax abatements for as much as 100% for up to 10 years. Specific locations vary. Colorado offers several equipment classifications for highly technical and computerized equipment. Breaking equipment into these classifications can provide faster depreciation and lower values, which have not been used in this calculation. Real property value has been estimated using general information for rural located manufacturing facilities of 80,000 square feet for years 1 and 2 and 130,000 for years 3 through 20.

Total Property Tax Abatement 8,412,743

Tax Rate Note: Colorado property tax rates generally range from 6% to 9%. We have used a 7.5% average in this calculation.

SUMMARY BY DATE INTRODUCED

STATE	BILL/CODE	THRESHOLD	BASED ON	STATUS
AL	ALA. ADMIN. CODE 810-6-2-90.03	RETAIL SALES EXCEED \$250,000 & MUST CONDUCT NOTABLE ACTIVITIES	PREVIOUS CALENDAR YEAR	ENACTED
SD	S.B. 106	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	PREVIOUS OR CURRENT CALENDAR YEAR	ENACTED; INJUNCTION PENDING DECLARATORY ACTION
VT	SEC. 27. 32 V.S.A. § 9701(9)(F)	ENGAGES IN REGULAR, SYSTEMATIC, OR SEASONAL SOLICITATION OF SALES OF TANGIBLE PERSONAL PROPERTY & MAKE SALES OF AT LEAST \$100,000 OR 200 INDIVIDUAL TRANSACTIONS	PREVIOUS 12-MONTH PERIOD	ENACTED; BEGINNING LATER OF JULY 2017 OR AFTER CONTROLLING COURT OR FEDERAL LEGISLATION RESOLVES LEGALITY
TN	RULE 1320-06-01- 129	ENGAGES IN REGULAR OR SYSTEMATIC SOLICITATION OF TENNESSEE CONSUMERS THROUGH ANY MEANS & MAKE SALES EXCEEDING \$500,000 TO TN CONSUMERS	PREVIOUS 12-MONTH PERIOD	ENACTED; PENDING NO CONTRARY LEGISLATION ACTION
IN	SENATE BILL 545	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	PREVIOUS OR CURRENT CALENDAR YEAR	PENDING
WY	HOUSE BILL 19	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	PREVIOUS OR CURRENT CALENDAR YEAR	PENDING
UT	SENATE BILL 110	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	PREVIOUS OR CURRENT CALENDAR YEAR	PENDING
NE	LEGISLATIVE BILL 44	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	PREVIOUS OR CURRENT CALENDAR YEAR	PENDING

NOTIFICATION STATES

STATE	BILL/CODE	THRESHOLD	CRITERIA	NOTES	STATUS
CO	COLO. REV. STAT. § 39-21-112 (3.5)	ANYONE NOT REGISTERED OR REQUIRED TO BE REGISTERED WITH THE DOR, BUT IS MAKING SALES INTO THE STATE	<p>NOTIFY CUSTOMERS USE TAX IS DUE ON EACH TRANSACTION NOTIFY CUSTOMERS (WHO PURCHASED MORE THAN \$500 WORTH OF GOODS IN A YEAR) ANNUALLY OF ALL PURCHASES MADE IN THE PRIOR CALENDAR YEAR</p> <p>FILE ANNUAL STATEMENT OF PURCHASES BY EACH CO CUSTOMER WITH THE CO DOR</p> <p>*RETAILERS THAT MADE LESS THAN \$100,000 OF GROSS SALES TO COLORADO CUSTOMERS IN THE PREVIOUS YEAR ARE EXEMPT FROM THE REPORTING REQUIREMENT</p>	<p>\$5.00 PENALTY PER FAILURE TO NOTIFY ON EACH TRANSACTION</p> <p>\$10.00 PENALTY PER ANNUAL NOTICE FAILURE TO PURCHASER AND DOR</p>	ENACTED AND PASSED LITIGATION
KY	KRS 139.450	SALES IN EXCESS OF \$100,000 DURING PREVIOUS CALENDAR YEAR OR REASONABLY ANTICIPATED FOR CURRENT CALENDAR YEAR	MUST PROVIDE NOTICE ON WEBSITE, CATALOGS, INVOICES, ETC THAT THE KY CUSTOMER MUST REPORT AND REMIT USE TAX	N/A	ENACTED
LA	HOUSE BILL 1121	<p>DOR MAY REQUIRE NOTICE IF THE FOLLOWING ARE MET:</p> <p>THE AGGREGATE VALUE PER SALE EXCEEDS \$250</p> <p>THE PROPERTY IS DELIVERED INTO LOUISIANA OR THE BENEFICIAL USE OF THE SERVICE OCCURS IN LOUISIANA</p> <p>IF SALES ARE IN EXCESS OF \$100,000, ANNUAL REPORTING IS REQUIRED</p>	SEND TO SELLER AND LA DOR ANNUAL STATEMENT FOR EACH PURCHASER LIST OF SALES AND PRICE	THE SECRETARY SHALL PAY TO ANY DEALER FURNISHING A LIST UNDER THIS SECTION, AN AMOUNT EQUAL TO THE REASONABLE COST OF REPRODUCING THE LIST.	ENACTED EFFECTIVE 7/1/2017
NE	LEGISLATIVE BILL 44	GROSS REVENUE FROM SALES MUST EXCEED \$100,000 OR CONDUCT 200 OR MORE SEPARATE TRANSACTIONS	<p>NOTIFY CUSTOMERS USE TAX IS DUE ON EACH TRANSACTION</p> <p>PROVIDE PURCHASERS WITH ANNUAL STATEMENT OF ALL TRANSACTIONS DURING PRIOR CALENDAR YEAR</p> <p>FILE ANNUAL REPORT WITH DOR OF ALL PURCHASERS AND TRANSACTIONS</p>	N/A	PENDING



NOTIFICATION STATES CONTINUED

OK	OKLAHOMA RETAIL PROTECTION ACT OF 2016	ANYONE MAKING SALES OF TPP INTO THE STATE BUT NOT COLLECTING SALES TAX	PROVIDE PURCHASERS WITH ANNUAL STATEMENT OF ALL TRANSACTIONS DURING PRIOR CALENDAR YEAR	OKLAHOMA IS PROMISING NOT TO SEEK PAYMENT OF UNCOLLECTED USE TAX FROM SELLERS WHO REGISTER TO COLLECT OKLAHOMA SALES TAX BY MAY 1, 2017	ENACTED
PA	HOUSE BILL 542	ANY SELLER OR REMOTE SELLER IN PA	MUST PROVIDE THIS NOTICE ON ALL SEPARATE TRANSACTIONS. "UNLESS YOU PAID PENNSYLVANIA SALES TAX ON THIS PURCHASE, YOU MAY OWE A PENNSYLVANIA USE TAX ON THIS PURCHASE BASED ON THE TOTAL SALES PRICE OF THE PURCHASE IN ACCORDANCE WITH THE ACT OF MARCH 4, 1971 (P.L. 9, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. VISIT WWW.REVENUE.STATE.PA.US FOR MORE INFORMATION. IF YOU OWE A PENNSYLVANIA USE TAX ON THIS PURCHASE, YOU MUST REPORT AND REMIT THE TAX ON YOUR PENNSYLVANIA INCOME TAX FORM."	\$5.00 PENALTY PER FAILURE TO NOTIFY ON EACH TRANSACTION	PENDING
SC	S.C. CODE ANN. § 12-36- 2691(E)(1)	REMOTE VENDORS THAT OWN, LEASE, OR UTILIZE A DISTRIBUTION FACILITY IN SOUTH CAROLINA	MUST NOTIFY SC INTERNET CUSTOMERS IN A CONFIRMATION EMAIL THAT THEY MAY OWE USE TAX ON THE TOTAL SALES PRICE OF THE TRANSACTION MUST SEND ANNUAL NOTIFICATION STATEMENT OF THE TOTAL SALES MADE TO THE PURCHASER DURING THE PRECEDING CALENDAR YEAR USE TAX REQUIREMENT MUST BE POSTED ON THE SELLER'S INTERNET WEBSITE, CATALOG, AND CUSTOMER INVOICES	N/A	ENACTED
VT	SEC. 26. 32 V.S.A. § 9712 SENATE BILL 62	SEC. 26. 32 V.S.A. § 9712 APPLIES TO ANY NONCOLLECTING VENDORS SENATE BILL 62 APPLIES TO ANY NONCOLLECTING VENDORS WHO MAKE \$100,000 OR MORE OF SALES INTO VERMONT IN THE PREVIOUS CALENDAR YEAR	SEC. 26. 32 V.S.A. § 9712 REQUIRES NONCOLLECTING VENDORS TO GIVE NOTICE TO VT PURCHASERS THAT BOTH SALES OR USE TAX IS DUE ON NON-EXEMPT PURCHASES AND THEY ARE REQUIRED TO REMIT ON THEIR ANNUAL TAX RETURNS FOR PURCHASERS WHO HAVE \$500 OR MORE IN PURCHASES. NONCOLLECTING VENDORS MUST PROVIDE AN ANNUAL REPORT TO THEM UNDER SB 62, AN ANNUAL STATEMENT FOR EACH PURCHASER AND TOTAL PURCHASES IS DUE TO THE DOR	\$5.00 PENALTY PER FAILURE TO NOTIFY ON EACH TRANSACTION	SEC. 26. 32 V.S.A. § 9712 - ENACTED SENATE BILL 62 - PENDING

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CLOSED FOR BUSINESS: KANSAS ENDS MAJOR EXEMPTION OF CERTAIN PASS-THROUGH & OTHER INCOME

By Jeff Farrell

On June 6, 2017, the Kansas Legislature overturned Gov. Sam Brownback’s veto of S30, a bill that will institute a number of changes affecting the liability of Kansas taxpayers. Most significantly, the bill repealed the 2013 exemption of certain pass-through and other income reported on Form 1040 Schedules C, Profit or Loss From Business; E, Supplemental Income and Loss; and F, Profit or Loss From Farming, from Kansas taxation. As a result, these Kansas-sourced incomes will now be subject to Kansas income tax:

- Net business profit on Form 1040 Schedule C
- Net income from rental real estate on Form 1040 Schedule E
- Net income from royalties on Form 1040 Schedule E
- Net income from partnerships, S corporations, estates, trusts and residual interest in real estate mortgage investment conduits on Form 1040 Schedule E
- Net farm rental on Form 1040 Schedule E
- Net farm profit on Form 1040 Schedule F

Other notable revisions in the bill include:

- Increased individual income tax brackets and rates from the 2.7 percent and 4.6 percent brackets in 2016:
 - 2017 – 2.9 percent, 4.9 percent, 5.2 percent
 - 2018 – 3.1 percent, 5.25 percent, 5.7 percent
- Gradual increase after 2017 in available Kansas itemized deductions for medical care expenses, qualified resident interest and real and personal property taxes

- Nonrefundable child and dependent care credit for years in which a federal child and dependent care credit is allowed:
 - 2018 – 12.5 percent of federal amount
 - 2019 – 18.75 percent of federal amount
 - 2020 and later – 25 percent of federal amount
- Federal net operating loss deduction addback is removed for individual income tax purposes for tax years beginning after December 31, 2016
- Certain limitations and extensions on Sales Tax Revenue (STAR) bond projects

The bill’s provisions are retroactive to January 1, 2017. However, taxpayers will be protected from any penalty and interest resulting from underpayments associated with the enacted changes provided any underpayment is remitted no later than April 17, 2018. Affected individuals may want to consider the effect of these changes on their Kansas tax liability and whether they should make estimated tax payments for 2017.

Contact your BKD advisor to learn more about how these changes affect you.

This article is for general information purposes only and is not to be considered as legal advice. This information was written by qualified, experienced BKD professionals, but applying this information to your particular situation requires careful consideration of your specific facts and circumstances. Consult your BKD advisor or legal counsel before acting on any matter covered in this update.

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WHAT YOU NEED TO KNOW ABOUT ILLINOIS TAX LAW CHANGES

By JoAnna Simek, jsimek@bkd.com

In July 2017, the Illinois Legislature passed several new bills that dramatically alter the Illinois tax landscape.

INCOME TAX CHANGES

Effective July 1, 2017, the state's income tax rate is permanently increased from 3.75 percent to 4.95 percent for individuals, trusts and estates, and from 5.25 percent to 7 percent for C corporations. Combined with the 2.5 percent replacement tax, this brings the total C corp rate to 9.5 percent. The new rates are immediately applicable. Individuals, trusts and estates with tax years ending on or before June 30, 2017, will be taxed at the lower rates for those tax years. For individuals, trusts and estates with tax years beginning prior to July 1, 2017, and ending after June 30, 2017, the 3.75 percent rate will apply to the period ending June 30, 2017, and the 4.95 percent rate will apply to the period starting July 1, 2017. For example, a calendar-year taxpayer will be taxed at 3.75 percent on income from January 1 through June 30, 2017, and 4.95 percent for the remainder of the year. Individuals, trusts and estates with tax years starting on or after July 1, 2017, will be taxed in full at the new rate. Similar timing rules will apply to C corps. No change has been made to the replacement tax rates applicable to partnerships and S corporations.

The research and development (R&D) credit has been reinstated and is valid for five more years. It's now scheduled to sunset on January 1, 2022. As such, the credit is available for the 2016 tax year, which had previously sunset. Taxpayers who already filed their 2016 tax returns may consider filing amended returns claiming refunds for credits now available.

The state has decoupled from the Domestic Production Activities Deduction (DPAD) under Internal Revenue Code 199.

This is effective for tax years ending on or after December 31, 2017, and is applicable for all taxpayers.

The Earned Income Credit is increasing to 14 percent of the federal credit for tax year 2017, and 18 percent of the federal credit for tax years starting on or after January 1, 2018. This is an increase from the current 10 percent.

The education expense credit for individual taxpayers paying for qualified education expenses is increasing from \$500 to \$750 per year for tax years ending on or after December 31, 2017. The credit has been eliminated for taxpayers with income above certain limits. No credit will be available to any taxpayer with adjusted gross income (AGI) of more than \$500,000 for taxpayers filing a married filing joint (MFJ) return or \$250,000 for all other taxpayers, single and married filing separately (MFS).

The standard personal exemption and residential real property tax credit are eliminated for certain taxpayers with income above certain limits. Effective for tax years beginning on or after January 1, 2017, taxpayers with AGI of more than \$500,000 for taxpayers filing a MFJ return or \$250,000 for all other taxpayers—single and MFS—can't claim any personal exemptions or residential real property tax credit. There is no graduated phaseout.

A new credit is created for instructional materials and supplies paid with respect to classroom-based instruction in a qualified school if the taxpayer is a teacher, instructor, counselor, principal or aide for at least 900 hours during a school year. The credit is equal to the amount paid for instructional materials, not to exceed \$250 per year. The credit isn't refundable and can't reduce a taxpayer's tax liability below zero. Unused credits may be carried over for five years. This is effective for tax years starting on or after January 1, 2017.

Tax Item	Tax Year 2016	Tax Year 2017	Tax Year 2018
Individual Income Tax	3.75%	3.75% through June 30; 4.95% starting July 1	4.95%
C Corp Income Tax	5.25%	5.25% through June 30; 7% starting July 1	7%
R&D Credit	Reinstated	Effective	Effective
DPAD (Federal Conformity)	Effective	Eliminated	Eliminated
Earned Income Tax Credit	10%	14%	18%
Education Expense Credit	\$500, no exclusions	\$750, AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)	\$750, AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)
Standard (Personal) Exemption	Effective, no exclusions	Eliminated for certain taxpayers; AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)	Eliminated for certain taxpayers; AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)
Residential Real Property Credit	Effective, no exclusions	Eliminated for certain taxpayers; AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)	Eliminated for certain taxpayers; AGI limit applies (\$500,000 MFJ, \$250,000 single/MFS)
Instructional Materials Credit	Not in effect	\$250	\$250

SALES TAX CHANGES

The sales tax exemption for graphic arts has been made permanent. Previously, the law providing an exemption for graphic arts producers sunset in August 2014. The graphic arts exemption is effective July 1, 2017, and falls within the state’s manufacturing machinery and equipment exemption.

The gasohol exemption sunset date has been accelerated from December 31, 2018, to July 1, 2017. Majority blended ethanol fuel and certain biodiesel fuel incentives are extended through December 31, 2023 (original sunset date of December 31, 2018).

There are many changes that weren’t included in the final bill that were in previous versions, including expanded sales tax on services, the Manufacturer’s Purchase Credit, which expired in 2014, and a state tax on sweetened beverages.

Additional guidance is expected from the state with respect to transition rules and regulatory guidance. Contact your BKD advisor for additional information on how these law changes affect you.

This article is for general information purposes only and is not to be considered as legal advice. This information was written by qualified, experienced BKD professionals, but applying this information to your particular situation requires careful consideration of your specific facts and circumstances. Consult your BKD advisor or legal counsel before acting on any matter covered in this update.

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LOUISIANA INCREASING REVENUE THROUGH SALES & USE TAX LEGISLATION

By Jana Gradeva, jgradeva@bkd.com

The Louisiana Legislature addressed the \$900 million state budget deficit during the 2016 First Extraordinary Session, which concluded March 9, 2016. During the special session, the legislature increased the state sales and use tax rate by 1 percent, temporarily suspended various exemptions and enacted click-through and affiliate nexus provisions to require remote sellers to collect tax in the state.

With the 1 percent increase enacted by House Bill 62, the total Louisiana state and local sales tax rate is now one of the highest in the nation. The rate increase takes effect April 1, 2016, and will sunset on June 30, 2018. Under the law, various exemptions apply to the current state tax rate; however, not all of those exemptions will apply to the additional 1 percent rate increase that legislators call a "clean penny." The bill lists the specific exemptions only applicable to the additional 1 percent, which adds another layer of complexity to Louisiana's already intricate and highly fragmented sales and use tax structure.

In an effort to bring in more revenue, the legislature brought back and passed the affiliate and click-through nexus bill previously vetoed by the former governor during the 2015 legislative session. Current Gov. John Edwards signed the bill on March 14, 2016, with the law taking effect immediately. The new law introduced these changes:

- Expanded the definition of a dealer to include remote sellers who solicit business through independent contractors or representatives pursuant to an agreement with a Louisiana business or resident under which the business or resident, for commission or other consideration, directly or indirectly refers potential customers whether by a website link or otherwise. (The threshold for click-through nexus under this bill is \$50,000 in gross sales into the state during a 12-month period.)
- Expanded the definition of a dealer to add substantial ownership interest provisions and affiliated entities language if the affiliates sell the same or substantially similar products as the Louisiana retailer under the same or substantially similar business name

- Included out-of-state sellers who have an in-state agent or affiliate engaging in activities within the state to benefit the remote seller

Dealers deemed to have nexus under these provisions would collect and remit sales tax directly to the Louisiana Department of Revenue unless they elect to separately file local parish returns.

In addition, various exemptions have been temporarily suspended, effective April 1, 2016, through June 30, 2016. On July 1, 2016, some of the exemptions will be partially reinstated. The new law enacts an exclusive list of about 32 allowable exemptions and exclusions, some of which include food for home consumption, rolling stock, materials sold for further processing and prescription drugs.

Manufacturing equipment will be taxed differently:

- From April 1, 2016, through June 30, 2016, manufacturing equipment and machinery will be subject to a 2 percent state sales tax.
- From July 1, 2016, through June 30, 2018, manufacturing equipment will be taxed at a 1 percent state sales tax rate, and beginning July 1, 2018, it will be exempt from state sales and use tax.

HB 61 and HB 62 provide a detailed account of allowable exemptions, suspension periods and new or partial tax rates. The legislature also capped the timely filing discount for sales tax returns at \$1,500 per month.

To learn more about the tax law changes from the Louisiana 2016 First Extraordinary Session, contact your BKD advisor.

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TENNESSEE ENACTS SIGNIFICANT INCOME & FRANCHISE TAX CHANGES

By LC Cole

On May 20, 2015, Tennessee Gov. Bill Haslam signed the *Revenue Modernization Act (RMA)* into law. The RMA introduces several significant changes that could create greater income and franchise tax burdens for taxpayers doing business in Tennessee.

ECONOMIC/BRIGHT-LINE NEXUS FOR BUSINESS & FRANCHISE TAX

Effective for tax years beginning on or after January 1, 2016, the definition of nexus is expanded for business, franchise and excise tax purposes to include a bright-line test. Among the enumerated activities creating nexus under the RMA, a taxpayer has substantial nexus in the state if any of the following are true:

- The taxpayer's total receipts in this state exceed the lesser of \$500,000 or 25 percent of total receipts everywhere during the tax period.
- The average value of the taxpayer's real and tangible personal property (either owned or rented) used in the state exceeds the lesser of \$50,000 or 25 percent of the average value of all the taxpayer's total real and tangible personal property.
- The total amount of in-state compensation paid by the taxpayer exceeds the lesser of \$50,000 or 25 percent of the total compensation paid by the taxpayer.

The RMA outlines more specific nexus rules and an exception for foreign corporations.

MARKET-BASED SOURCING

Effective for tax years beginning on or after July 1, 2016, the RMA enacts market-based sourcing of sales other than sales of tangible personal property. The market-based sourcing provision provides that the taxpayer's market for a sale is in Tennessee to the following extent:

- In the case of real property, to the extent the property is located in Tennessee
- In the case of tangible personal property, to the extent the tangible personal property is in Tennessee
- In the case of a service, to the extent the service is delivered to a location in Tennessee
- In the case of intangible property, to the extent the intangible property is used in Tennessee

The RMA uses the current greater cost-of-performance sourcing in a hybrid calculation of the sales factor for "qualified members" of a "qualified group" of telecommunications taxpayers.

TRIPLE-WEIGHTED SALES FACTOR FOR EXCISE & FRANCHISE TAX

Effective for tax years beginning on or after July 1, 2016, the RMA replaces the current double-weighted sales factor formula with a triple-weighted sales factor formula for calculating net worth and earnings for excise and franchise tax purposes.

ALTERNATIVE TAX FOR HIGH-VOLUME SELLERS OF GOODS TO TENNESSEE DISTRIBUTORS

Effective for tax years beginning on or after January 1, 2016, certain high-volume sellers choosing to use distribution centers in Tennessee can use an elective apportionment calculation for franchise and excise tax purposes. A taxpayer may qualify if the taxpayer's sales of tangible personal property to distributors in Tennessee exceed \$1 billion and the Tennessee receipts factor exceeds 10 percent. This election allows the taxpayer to exclude certain "certified distribution sales" from the numerator of the receipts factor in favor of paying an excise tax on those sales using a graduated tax.

INTANGIBLE EXPENSES DEDUCTION

Tennessee currently allows an excise tax deduction for intangible expenses paid to an affiliate if a taxpayer meets one of three safe harbor exceptions or if the taxpayer submits an application and is approved by the Commissioner of the Department of Revenue. Effective for tax years beginning on or after July 1, 2016, the RMA eliminates the application requirement. To qualify for the related-party intangible

expense deduction, a taxpayer must disclose the expense and one of the following:

- The affiliate to which the expense has been paid, accrued or incurred is registered for and paying the excise tax
- The expense was paid, accrued or incurred to an affiliate in a foreign nation that is a signatory to a comprehensive income tax treaty with the U.S. or to an affiliate not otherwise required to pay the excise tax or be registered

Taxpayers failing to disclose or add back related-party intangible expenses may be subject to penalties.

To learn more about how this new law could affect your organization, contact your BKD advisor.

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BKD FIRM PROFILE

experience **insight** // BKD, LLP, a national CPA and advisory firm, can help individuals and businesses realize their goals. Our dedicated professionals offer audit, tax and consulting services to clients in all 50 states and internationally. BKD and its subsidiaries combine the insight and ideas of multiple disciplines to provide solutions in a wide range of industries.

ABOUT BKD



CLIENT SERVICE

The **BKD Experience** is a commitment to unmatched client service that is shared by CPAs, advisors and dedicated staff members who take your business personally. We are so dedicated to the idea that we wrote a book—**The BKD Experience: Unmatched Client Service**.



INTERNATIONAL SOLUTIONS

BKD is the largest North American member of Praxity, AISBL*, a global alliance of independent firms serving clients in approximately 100 countries. We offer multinational clients a gateway to the global marketplace with services delivered by alliance firms committed to the highest standards required in international business.



PROFESSIONAL AFFILIATIONS

BKD is a member of the American Institute of CPAs and its three quality centers: Center for Audit Quality, Employee Benefit Plan Audit Quality Center and Governmental Audit Quality Center.

BKD is registered with the Public Company Accounting Oversight Board, which is required to serve as an independent auditor of public companies. BKD audits approximately 80 U.S. Securities and Exchange Commission registrants, including approximately 30 benefit plans.



MISSION STATEMENT

The mission of BKD is to always strive for excellence in providing services to clients, create rewarding career opportunities and maintain sound professional, business and financial standards.



QUICK FACTS

- **Clients:** Individuals and private and publicly traded businesses in the health care, manufacturing, distribution, financial services, construction and real estate industries, as well as not-for-profit and governmental entities
- **Total Personnel:** Approximately 2,600[^]
- **Partners & Principals:** Approximately 270[^]
- **Net Revenues:** \$550 million[^]
- **Fiscal Year-End:** May 31
- **Founded:** 1923
- **Locations:** 35 offices serving clients in all 50 states and internationally[^]

*Praxity, AISBL is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity – Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

[^]As of December 31, 2016

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State, Local & International Tax

Wealth Management

And more

COMMITMENT TO PROFESSIONAL DEVELOPMENT

BKD is committed to creating rewarding careers and equipping our professionals with the tools they need to serve our clients. We take professional growth and development seriously and offer numerous programs and training so we are prepared to help meet your professional services needs.



AWARD-WINNING TRAINING

BKD’s commitment to lifelong learning and professional development is highlighted by our recognition as a top-tier training organization. BKD has earned the distinction of **Training** magazine’s Training Top 125 for the past four years. In 2016 and 2014, BKD also earned the **Chief Learning Officer** magazine’s LearningElite award.



PROGRESSIVE PROGRAMS & INITIATIVES

BKD is dedicated to creating and implementing programs and initiatives to help our professionals achieve their full potential. Programs include SKY, a firmwide initiative to emphasize and strengthen diversity in our firm. SKY focuses on recruiting, retaining and developing women for the sustainable growth of BKD. Through the collaboration of men and women, BKD aims to foster a culture that recognizes and supports maximizing the potential of all.



REWARDING CAREERS

As part of a recent employee engagement survey, BKD employees ranked us within the 90th percentile of professional services companies, indicating they find BKD to be an exemplary platform from which to serve clients.

BKD PRIDE VALUES

WHAT'S IMPORTANT TO YOU? // A commitment to excellence? Independence and objectivity? A broad skill set? Exceeding expectations? At BKD, these are all essential. That's why every day you can see our partners and employees "living the PRIDE." These values—passion, respect, integrity, discipline and excellence—are the hallmarks of BKD and guide us as we provide solutions for your business and financial needs. Experience what BKD PRIDE values can mean for you.



P

PASSION

- For service to others
- For making tomorrow better than today

Experience how our dedication and enthusiasm for making tomorrow better than today can help you make informed decisions to help improve business and financial outcomes.

R

RESPECT

- For the differences that make our team strong
- For our legacy and the benefits of change

Experience how our respect for diversity can provide a variety of skills and talents to meet your needs. Respecting the lessons of our legacy and yours, we can help you capitalize on the opportunities change inevitably offers.

I

INTEGRITY

- To do the right thing
- To be objective and independent

Experience how our integrity and objectivity can help you make smart business decisions. You want an advisor to tell you what you need to know, not just what you want to hear.

D

DISCIPLINE

- In process and innovation
- To balance professional and personal commitments

Experience how our well-established protocols and low-risk approaches can help resolve issues and advance your goals.

E

EXCELLENCE

- In skills and competencies
- In our quest to be the best

Experience how our ambition, knowledge, commitment to lifelong learning and drive to improve technical and analytical skills can work to consistently surpass your expectations.

BKD

BKD THOUGHTWARE

BKD's expertise spans a wide variety of industries and subjects, and our professionals share their knowledge in print, online and in person to help advance your organization. Use the QR code below to sign up for **BKD Thoughtware®** emails.



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