ROADMAP: INDIVIDUAL INCOME DIFFERENCES

1) January estimate differences primarily due to two sources
   a) CY 2014 wage income growth rate: OBPP = 7.7% vs. LFD = 3.9%
   b) Double counting growth in taxpayer base
   c) Conversion & all other: somewhat mitigating impact

2) CY withholding growth ≠ wage growth

3) Available wage data supports LFD CY 2014 wage income growth assumption
   a) UI-based QCEW: first three quarters average growth of 4.1%
      i) Year-over-year growth of 17.5% needed in fourth quarter needed to attain average of 7.7%
   b) BEA: first three quarters average growth of 3.7%
      i) Year-over-year growth of 19.6% needed in fourth quarter needed to attain average of 7.7%

4) CY 2014 fourth quarter wage growth acceleration?
   a) CES employment growth
   b) CES private sector wage growth

5) IHS wage disbursements forecast bias?

6) Conversion
   a) January LFD and OBPP approaches slightly different; LFD conversion process results in somewhat higher fiscal collections, even after executive's $90 million adjustment
   b) LFD conversion risk

7) Year-to-date collections: withholding & refunds