

EXHIBIT
Calculation of VAT and NST

	Farmer	Miller	Baker	Total
1. Sales	\$250	\$600	\$900	
2. Purchases	0	250	600	
3. Value Added ^a	\$250	\$350	\$300	
Subtraction VAT				
4. Value-Added Tax ^b	\$25	\$35	\$30	\$90
Credit VAT				
5. Tax on Sales ^c	25	60	90	
6. Less Tax on Inputs	0	25	60	
7. Net VAT Liability ^d	\$25	\$35	\$30	\$90
National Sales Tax (NST)				
8. National Sales Tax	Exempt	Exempt	\$90 ^e	\$90

^a 1 – 2

^b 3 x 10%

^c 1 x 10%

^d 5 – 6

^e 1 x 10%