

Table T16-0019
Ted Cruz's Tax Reform Plan: Impact on Tax Revenue, 2016-26 by Fiscal Year and Total for FY2027-36¹
Baseline: Current Law

Proposal	Fiscal Year												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-26	2027-36
Individual Income Tax													
Repeal alternative minimum tax	0.0	-22.7	-31.7	-33.7	-35.1	-36.6	-38.6	-40.0	-41.2	-42.8	-43.7	-366.1	-588.3
Repeal 3.8 percent net investment surtax	-6.7	-0.3	-5.0	-16.1	-19.9	-21.0	-22.1	-23.4	-24.7	-25.6	-27.0	-191.8	-355.3
Impose single income tax rate of 10 percent; repeal preferential rates on capital income	-14.0	-594.0	-830.4	-905.9	-969.5	-1,025.7	-1,082.1	-1,142.9	-1,206.8	-1,267.0	-1,336.1	-10,374.6	-17,701.9
Repeal head of household and married filing separately statuses	0.0	3.3	4.5	4.7	5.0	5.3	5.6	5.9	6.2	6.6	6.9	54.0	82.7
Repeal itemized deductions other than charitable and home mortgage interest	0.0	48.9	65.9	70.0	75.2	80.0	85.0	90.4	95.8	100.7	106.0	817.8	1,379.5
Reform home mortgage interest deduction	0.0	0.4	1.1	2.1	3.0	3.8	4.7	5.6	6.5	7.4	8.3	43.0	155.9
Standard deduction of \$10,000 (\$20,000 for married couples), indexed after 2015	0.0	-147.0	-200.1	-207.3	-215.4	-224.4	-233.3	-243.3	-252.9	-263.1	-273.7	-2,260.5	-3,337.7
Repeal above-the-line deductions	0.0	4.9	6.6	6.7	6.8	7.0	7.2	7.4	7.6	8.0	8.2	70.3	112.5
Repeal all tax credits except child credit and earned income credit	0.0	30.0	41.2	44.1	46.2	46.9	48.5	50.5	52.2	52.7	54.0	466.3	640.6
USA savings accounts	0.0	-3.1	-6.6	-9.5	-12.3	-15.0	-17.6	-20.2	-22.7	-25.5	-28.2	-160.7	-467.4
Total for individual income tax	-20.7	-679.8	-954.5	-1,045.0	-1,116.0	-1,179.8	-1,242.6	-1,310.0	-1,380.0	-1,448.6	-1,525.2	-11,902.3	-20,079.3
Payroll Tax													
Repeal payroll taxes	0.0	-783.2	-1,075.4	-1,119.6	-1,164.0	-1,212.5	-1,261.6	-1,313.5	-1,366.3	-1,421.0	-1,479.6	-12,196.7	-18,438.5
Total for payroll tax	0.0	-783.2	-1,075.4	-1,119.6	-1,164.0	-1,212.5	-1,261.6	-1,313.5	-1,366.3	-1,421.0	-1,479.6	-12,196.7	-18,438.5
Corporate Income Tax													
Repeal the corporate income tax	0.0	-152.1	-307.5	-333.6	-352.2	-380.0	-392.0	-402.0	-414.9	-428.1	-444.7	-3,607.0	-5,492.6
Deemed repatriation over 10 years of accumulated untaxed pre-2017 earnings of CFCs, with reduced rates	0.0	10.4	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	134.8	3.5
Total for corporate income tax	0.0	-141.8	-293.7	-319.7	-338.3	-366.2	-378.1	-388.2	-401.0	-414.3	-430.9	-3,472.2	-5,489.2
Value-Added Tax ("Business Flat Tax")													
Impose 16 percent (tax-inclusive) value-added tax	0.0	1,356.9	1,866.3	1,941.6	2,024.9	2,111.7	2,199.3	2,290.9	2,386.4	2,484.7	2,586.9	21,249.6	32,597.5
Allow unused business deductions and credits as of Jan. 1, 2017	0.0	-257.2	-384.1	-325.5	-251.8	-212.8	-170.5	-130.5	-114.6	-107.8	-102.1	-2,056.9	-485.2
Total for value-added tax	0.0	1,099.7	1,482.2	1,616.1	1,773.1	1,898.9	2,028.8	2,160.4	2,271.8	2,376.9	2,484.8	19,192.6	32,112.2
Estate and Gift Taxes													
Repeal the estate and gift taxes (stepped-up basis of gifts and bequests retained)	0.0	0.0	-14.8	-22.1	-24.1	-24.9	-25.9	-26.7	-27.5	-28.3	-29.4	-223.8	-352.5
Total for estate and gift tax revenues	0.0	0.0	-14.8	-22.1	-24.1	-24.9	-25.9	-26.7	-27.5	-28.3	-29.4	-223.8	-352.5
Total revenue effect of all proposals	-20.7	-505.0	-856.0	-890.4	-869.4	-884.6	-879.4	-878.0	-903.1	-935.4	-980.4	-8,602.3	-12,247.2
Addendum 1: Increase in federal debt service costs													
Increase in deficit (before debt service costs)	20.7	505.0	856.0	890.4	869.4	884.6	879.4	878.0	903.1	935.4	980.4	8,602.3	12,247.2
Interest cost	0.2	5.0	24.4	57.3	93.3	131.1	170.9	212.5	255.1	301.3	352.0	1,603.0	6,937.7
Increase in deficit	20.8	510.0	880.4	947.7	962.7	1015.7	1050.3	1090.4	1158.2	1236.7	1332.3	10,205.4	19,185.0
Addendum 2: Increase in federal debt relative to GDP													
Increase in federal debt	20.8	530.8	1,411.3	2,358.9	3,321.6	4,337.4	5,387.7	6,478.1	7,636.3	8,873.0	10,205.4		2036 29,390.3
GDP ¹	18,831.9	19,701.4	20,558.3	21,403.7	22,314.7	23,271.0	24,261.5	25,287.4	26,352.1	27,455.5	28,600.0		42,800.0
Increase in federal debt relative to GDP (percent)	0.1%	2.7%	6.9%	11.0%	14.9%	18.6%	22.2%	25.6%	29.0%	32.3%	35.7%		68.7%

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-4) and TPC estimates.

¹ The GDP forecast through 2025 is from CBO, The Budget and Economic Outlook: 2015 to 2025 (January 2015) and for 2026-2036 is from CBO, The 2015 Long-Term Budget Outlook (July 2015).