

## One Way to Shift the Burden

Amounts to be paid this year in alternative minimum tax by income group and how a repeal, plus a 4 percent surtax on high incomes, would shift the burden.

INCOME GROUP	2007 A.M.T. ESTIMATES	SHARE NOW	PROPOSED SHARE
Less than \$100,000	\$ 6.3 billion	9%	0
\$100,000 to \$200,000	24.8	35	20
\$200,000 to \$500,000	23.7	7	18
\$500,000 to \$1 million	3.2	10	58
\$1 million and more	2.2		

Form **8863** Education Credits (Hope and Lifetime Learning)

Form **8889** Health Savings Accounts

Form **8889** Capital Gains

Form **1040** U.S. Individual Income Tax Return

Department of the Treasury Internal Revenue Service

For the year Jan. 1 to Dec. 31, 2006

Your first name

Form **6251** Alternative Minimum Tax—Individuals

Department of the Treasury Internal Revenue Service (99)

Name(s) shown on Form 1040 or Form 1040NR

SCHEDULE D (Form 1040) Capital Gains and Dividends

Department of the Treasury

Attach to Form 1040 or Form 1040NR

**Label**  
(See instructions on page 12.)  
Use the IRS label. Otherwise, please print or type.

**Part I** Alternative Minimum Taxable Income (See instructions)

1. Enter the amount from Form 1040, line 41 (modified adjusted taxable income), and go to line 2. Otherwise, enter the amount from Form 1040, line 41, and go to line 2. If the amount is zero, enter as a negative number.



# ANNUAL REPORT 2007



**Tax Policy Center**

URBAN INSTITUTE AND BROOKINGS INSTITUTION



## **Tax Policy Center**

Urban Institute and Brookings Institution

# **The Urban–Brookings Tax Policy Center 2007 Annual Report**

The Urban Institute, 2100 M Street, N.W., Washington, DC 20037  
The Brookings Institution, 1775 Massachusetts Ave., N.W., Washington, DC 20036

<http://www.taxpolicycenter.org>

## LETTER FROM THE DIRECTORS

When we wrote our first proposals for the Tax Policy Center, we felt the compelling need for timely, high-quality, and comprehensible analysis of tax issues. Fortunately, we were able to convince a small group of generous foundations and individuals, but all of us—funders and researchers alike—wondered if the public would agree.

It did. In five years, the Tax Policy Center has become an authority on tax issues. Hardly a day goes by when we're not called by reporters, policy staffers (and sometimes policymakers themselves), or researchers at other think tanks or universities with tax policy questions. And with an enormous quantity of estimates and analysis on our web site, many others are able to find what they need by themselves.

One indication that we'd arrived came in September when Senator Obama's campaign asked if the Tax Policy Center would host a major speech on tax policy. This request by a major presidential candidate acknowledged our preeminence in taxes and validated everything we'd worked so hard to accomplish. (Of course, TPC is politically neutral and welcomes any major candidate who wishes to address our nation's tax policy challenges.)

From the beginning, we have worked hard to produce timely analysis of tax policy topics. We released a preliminary analysis of the president's major health insurance tax initiative the same day he announced it in his State of the Union address in January. The report and follow-up research were widely cited by the media. Our analysis of Ways and Means Committee Chairman Charles Rangel's tax reform plan—modeled largely on an idea floated in a TPC paper and testimony—was published just one day after the plan was announced. And we helped reporters, the public, and policymakers understand what was at stake while the AMT fix stalled in Congress until year's end. Similarly, in the debates last month on how to stimulate the economy, TPC estimates and analyses anchored the public discussion and informed policymakers.

Major media cited the Tax Policy Center or TPC researchers an average of almost twice a day. *The New York Times*, *Wall Street Journal*, and *Washington Post* cited us 86 times in 2008, including in 7 editorials. A *Times* editorial called a reform idea proposed by two TPC scholars “fair and smart” and urged policymakers to consider it. One weekend, two editorials on different subjects in the *Post* cited TPC.

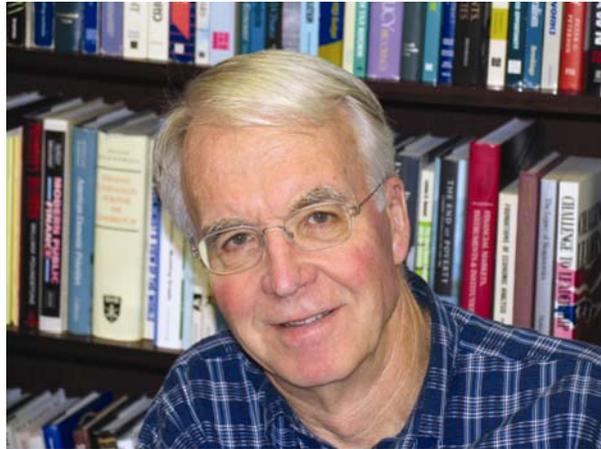
We helped the public understand the presidential debate about tax policy. *The Wall Street Journal* and other news sources featured the matrix on TPC's web site listing major candidates' tax plans. When Governor Mike Huckabee made a national retail sales tax a centerpiece of his campaign, advocates and critics alike cited TPC codirector Bill Gale's seminal work on this tax. We also produced a timely analysis of Senator Thompson's radical optional alternative tax system.

We completely redesigned and reorganized our web site to make it more attractive and easier to navigate. In the fall, we launched a new tax and budget policy blog called *TaxVox*. Former *Business Week* reporter Howard Gleckman is the chief blogger, but other TPC researchers chime in regularly, and its popularity has been growing steadily.

Two major initiatives will help us inform the policy debate in 2008 and beyond. First, we just launched a new *Tax Policy Briefing Book*, a web-based portfolio of brief questions and answers about tax policy issues that will—or should—come up in the presidential election debate. The elegantly designed entries are cross-linked to more detailed TPC analyses.

Second, our comprehensive model of health insurance tax incentives and public programs is almost finished. This new tool will allow us to compare the effects of candidates' proposals on health insurance coverage and costs. The Urban Institute's Health Policy Center, our collaborator on this project, plans to apply the model to state health reform efforts.

Finally, a sad note. The Tax Policy Center lost a great colleague and friend in 2007. Ned Gramlich's grace, wit, intelligence, and passion for public policy inspired all of us and we will miss him. This report is dedicated to his memory.



Ned Gramlich, Senior Fellow at the Urban Institute and former Federal Reserve Governor, died of leukemia on September 5, 2007. His important book, *Subprime Mortgages: America's Latest Boom and Bust*, was published in June.

Sincerely,

Leonard E. Burman

William G. Gale

C. Eugene Steuerle

Handwritten signatures of Leonard E. Burman, William G. Gale, and C. Eugene Steuerle. The signatures are written in black ink and are positioned below the printed names.

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2007 was a great year for the Tax Policy Center. We expanded both the scope and effectiveness of our work. Policymakers and the media relied on us more than ever to supply facts and clear, timely analysis on a range of policy issues.

Here are a few highlights:

- Produced 56 discussion papers, research reports, policy briefs, and other articles and commentaries.
- Published *Taxing Capital Income* with the Urban Institute Press.
- Testified 10 times before Congress.
- Convened 11 public policy symposia.
- Developed a simple, progressive, revenue-neutral option to replace the alternative minimum tax that a *New York Times* editorial called “fair and smart.”
- Published the first of a series of widely cited analyses of President Bush’s health insurance plan the day he announced it in the State of the Union address.
- Invested in a major expansion of the TPC tax model, including a health insurance policy simulation model to be completed in early 2008.
- Produced 344 distribution and revenue tables.
- Created TaxVox, TPC’s popular blog on fiscal policy issues.
- Posted 32 TaxVox blog entries from mid-October through December.

- Completely renovated the TPC web site to make it more informative, attractive, and easy to navigate.
- Developed a new series of web modules on a range of policy issues.
- Cited in almost 600 major media articles, including 86 citations in *The New York Times*, *The Wall Street Journal*, and *The Washington Post*.
- Cited in at least 28 editorials, including 7 in *The New York Times*, *The Wall Street Journal*, and *The Washington Post*.

This annual report showcases some of our work on important tax issues. It describes the progress the Center has made to expand and improve our microsimulation model. It shows what TPC has done this year to improve communications and outreach efforts. It provides examples of collaborative efforts with other public policy organizations to leverage our work. It tells you what you can expect from us in 2008. And it acknowledges the funders and staff who made it all possible.

## **KEY ISSUES**

### **ALTERNATIVE MINIMUM TAX**

TPC has been educating policymakers and the public about the individual alternative minimum tax (AMT) for years. Unfortunately, the AMT was a hot issue again in 2007. TPC wrote, testified, and made presentations to inform policymakers and the public about the irrationality of the AMT and possible fixes. Estimates show how the AMT, originally intended to ensure that wealthy citizens pay at least some tax,

increasingly threatens the upper-middle class. For example, were it not for a last-minute “patch,” almost all couples who make \$75,000 to \$200,000, have two or more children, and pay high state and local taxes would have owed the AMT in 2007. Before Congress temporarily raised the AMT exemption amount in late December, the tax was on track to hit 23 million households on their 2007 tax returns. Although Congress has temporarily stopped this expansion, piecemeal measures mask the true budgetary cost of fixing the AMT, which rises every year that Congress fails to enact a permanent reform or repeal.



Leonard Burman with Nina Olson (National Tax Advocate from the IRS) and Alan Viard (AEI) testifying about “Fairness in Tax Policy” before the Subcommittee on Select Revenue Measures, House Ways and Means Committee, March 7.

In the October issue of the *Milken Review*, Leonard Burman’s *The Alternative Minimum Tax: Assault on the Middle Class* took readers into the “tax policy twilight zone” where the AMT unfairly targets middle-class families and resurrects two problems—bracket creep and the marriage penalty—that had been largely eliminated from the regular income tax. Burman discussed how the AMT works, who pays it, why it is so complex, and ways to repeal or reform the tax.

Burman testified before Congress three times on the AMT in 2007. In March, Richard Neal, Chairman of the

Ways and Means Subcommittee on Select Revenue Measures, introduced Burman by saying, “If you read pretty much any article or paper on the AMT, you will see Len Burman quoted or his work cited.” Burman’s testimony outlined how the AMT works, whom it affects, and why it demands attention. He also discussed possible ways to reform the AMT and why financing AMT reform or repeal is important. Burman appeared before the full House Committee on Ways and Means again on September 6 to discuss tax fairness, the 2001–06 tax cuts, and the AMT. He argued that while the federal tax system mitigates economic inequality, recent tax cuts have disproportionately benefited those at the top, while also increasing the number of people potentially subject to the AMT.

Leonard Burman and Greg Leiserson’s May 2007 paper, *A Simple, Progressive Replacement for the AMT*, called for replacing the AMT with a simple, highly progressive, revenue-neutral alternative. They proposed replacing the AMT with an add-on tax of 4 percent of adjusted gross income above \$100,000 for singles and \$200,000 for couples. A May 28 *New York Times* editorial called the proposal “fair and smart.” Burman highlighted the option in testimony before the Senate Committee on Finance in June, and Ways and Means Committee Chairman Charles Rangel later modeled his AMT reform plan on the proposal.

Other 2007 TPC publications and testimony also addressed the AMT and reform options. They included

- “Options to Fix the AMT,” Leonard E. Burman, Greg Leiserson, William G. Gale and Jeff Rohaly, Tax Policy Center report, January 19;

- “Fixing the Tax System: Support Fairer, Simpler, and More Adequate Taxation,” William G. Gale, *Opportunity* ‘08, February 28;
- “The 15 Percent Rate on Capital Gains: A Casualty of the Alternative Minimum Tax,” Greg Leiserson, Tax Policy Center report, March 7;
- “What Is Responsible for the Growth of the AMT?” Greg Leiserson and Jeff Rohaly, Tax Policy Center report, March 13;
- “What’s the Alternative to the AMT?” Leonard Burman’s commentary on *Marketplace*, March 21; and
- “Fixing the AMT by Raising Tax Rates,” *Economic Perspectives* by C. Eugene Steuerle, April 9.

The TPC web module *Individual Alternative Minimum Tax (AMT)* displays the full range of the Center’s research on the AMT. See <http://www.taxpolicycenter.org/taxtopics/AMT.cfm>.

### HEALTH INSURANCE

Despite the enormous tax subsidies for employer-sponsored health insurance (ESI), nearly 47 million Americans lacked health insurance in 2006, up more than 2 million from 2005. Since health insurance premiums continue to outpace incomes, the number of uninsured is likely to keep growing. The tax exclusion for ESI is a major reason most nonelderly American workers and their families receive health insurance, but these tax provisions also make consumers less sensitive to health care prices.

In 2007, TPC evaluated and analyzed options to address access to affordable health care, examined issues related to health insurance coverage for children,

and made significant progress in developing a health insurance policy simulation model that will be available in early 2008.

### ACCESS TO AFFORDABLE HEALTH CARE

TPC released *The President’s Health Insurance Proposal: A First Look* on January 23, 2007—the same day President Bush announced his proposal to change the tax treatment of health insurance in his State of the Union Address. (The paper was updated and expanded in February.) TPC pointed out that the proposal could threaten the health insurance coverage of the poor, near-poor, chronically sick, and other vulnerable groups. The report also suggested improvements—mainly converting the deduction into a refundable tax credit and making the nongroup health insurance market work for all, not just the young and healthy. Nationwide, news media covered the report, and editorials in *The Washington Post* and *The New York Times* cited it. The Alliance for Health Reform included the report in *An Alliance for Health Reform Toolkit—President Bush’s Health Coverage Plan*—along with five other articles to help people understand what the president’s plan would mean for them.

On February 9, TPC brought together some of the nation’s foremost tax and health experts at the forum, *New Directions in Health Policy: A Discussion of the President’s Tax-Based Health Insurance Proposals*. Kate Baiker, a member of the President’s Council of Economic Advisers, introduced and explained the president’s proposal and argued that it would help millions of uninsured Americans get coverage and level the playing field between employer-based and individual

“nongroup” insurance plans. She argued that the plan removed the incentive to overspend on health care through overly generous employer-funded insurance plans. Other participants raised concerns about the effect of the plan on an employment-based system that works well for most working-age Americans and their families. The conferees considered the benefits and challenges of the president’s plan and explored ways to make the health care market work for all Americans.



Kate Baiker, member of the President’s Council of Economic Advisers, presenting at the TPC forum, “New Directions in Health Policy: A Discussion of the President’s Tax-Based Health Insurance Proposals” (February 9).

Leonard Burman testified about the tax code and health insurance coverage before the House Committee on the Budget on October 18. He discussed the advantages and limitations of using tax credits to expand health insurance coverage and the importance of concomitant reforms to the market for nongroup health insurance. He also summarized the current tax treatment of health insurance, the effects of tax subsidies on coverage and health care costs, and ways tax credits might affect health coverage. Burman pointed out that expanding public programs such as

Medicaid or the State Children’s Health Insurance Program (SCHIP) might be a more cost-effective way to increase coverage than new tax credits.

***“Using [tobacco taxes] as a long-term strategy to pay for healthcare is problematic because you’re setting up two conflicting goals: If you can get everybody to stop smoking, you’ll lose your revenue source.”***

**Kim Rueben quoted in “Cigarette-tax hike would fund kids’ healthcare,” *Los Angeles Times* (July 26, 2007).**

Linda Blumberg and Genevieve Kenney explored this issue in detail in an October policy brief, *Can a Child Health Insurance Tax Credit Serve as an Effective Substitute for SCHIP Expansion?* The brief compared the financial burdens of acquiring health insurance for children under SCHIP and under a refundable \$1,400 per child tax credit. The brief illustrated that the tax credit option would be a poor replacement for SCHIP from the family’s perspective.

On August 21, Leonard Burman, Kim Rueben, and Genevieve Kenney considered the appropriateness of using a federal tobacco tax increase to finance SCHIP expansion in *SCHIP: Is Increasing the Tobacco Tax to Expand Coverage a Good Idea?*, which was posted on the *Health Affairs* blog. The president complained that this financing method would be “a massive, regressive tax increase.” The blog post pointed out that while tobacco excise taxes *are* regressive, the package as a whole would have been progressive because it would have benefited low-income families with children. It would also complement public health goals by discouraging youth smoking.

### HEALTH CARE MODEL

With the Urban Institute's Health Policy Center, TPC is building a state-of-the-art health insurance policy-simulation model to help us examine the effects of health insurance proposals (both tax subsidies and expansions of public programs) on coverage and health care costs. We will estimate the effects of health policy reform options on health insurance premiums, the number of people covered by health insurance, and the distribution of tax burdens. The model will capture the effects of such public programs as SCHIP and Medicaid, both as they work now and as they might change under new proposals. The model also will reflect how health insurance tax subsidies interact with other tax provisions, such as incentives to save for retirement.

### LONG-TERM FISCAL POLICY

Edward Gramlich led off the year with his January testimony before the House Committee on the Budget on why deficits matter. He argued that now is the time to reduce our deficits and increase national saving to prepare for a jump in entitlement spending as baby boomers retire.

Three more scholars testified about the long-term fiscal gap before the Senate Committee on the Budget in January and February. Robert Reischauer argued that while the recent fiscal situation and the intermediate-term budget outlook may appear relatively benign, deficits and debt will grow to unprecedented levels if current tax and spending policies are not revamped. "The challenge we face," he said, "is determining how to balance our desire for improved health against our other priorities. We cannot have it all and ask

our children and grandchildren to pick up the tab." Along similar lines, Eugene Steuerle asserted that lawmakers have been weaving a policy straightjacket around themselves in recent decades, especially with retirement, health, and taxation. Steuerle argued that sticking future generations with the tab for pre-ordained spending levels leaves Congress with almost no control over its own budget, and concluded that only major systemic reform can restore the democratic process. Finally, Jason Furman presented options to close the fiscal gap and pointed out that the Congressional Budget Office's (CBO) projection of a \$198 billion unified deficit in fiscal year 2007 is below the average over the past 40 years but still no cause for complacency.



Robert Reischauer (left) and Eugene Steuerle (right) with Robert Greenstein (Center on Budget and Policy Priorities), testifying before the U.S. Senate Committee on the Budget about "Defining Our Long-Term Fiscal Challenges," (January 30).

## TAX REFORM PROPOSALS

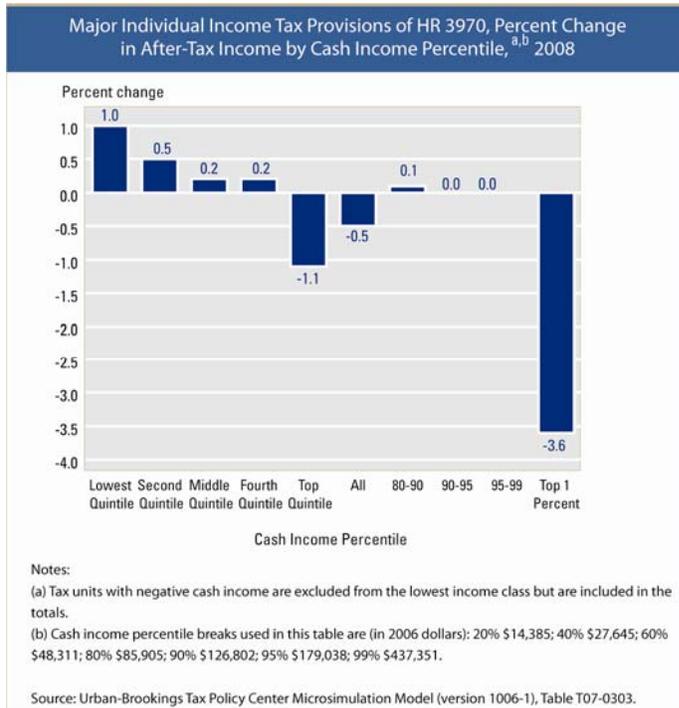
TPC analysts Greg Leiserson and Jeff Rohaly analyzed the distributional effects of Ways and Means Committee Chairman Rangel’s tax proposal, H.R. 3970, The Tax Reduction and Reform Act of 2007, one day after its release in October. *Distributional Effects of the Major Individual Income Tax Provisions of H.R. 3970* described the proposal (including changes to the standard deduction, child tax credit, and AMT) and provided distribution tables showing that the bill would lower taxes for the bottom 80 percent of taxpayers and raise them for the top 20 percent (see figure). TPC also developed a fact sheet, *The Rangel Tax Bill H.R. 3970, The Tax Reduction and Reform Act of 2007*. See [http://www.taxpolicycenter.org/taxtopics/quick\\_rangel.cfm](http://www.taxpolicycenter.org/taxtopics/quick_rangel.cfm), which shows, at a glance, who would benefit from the

major individual income tax changes, which provisions affect lower-income and higher-income families, how the changes would be distributed, how the bill would affect marginal tax rates, and more.

**“Campaigns bring out the Santa Claus in politicians”“...But the numbers just don’t add up. By promising more tax cuts than we can afford, they are really misrepresenting the choices the nation faces.”**

**Leonard Burman quoted in “The Republicans’ Expensive Tax Promise,” by Tom Redburn, *The New York Times* (December 14, 2007).**

In November, presidential candidate Fred Thompson announced a tax reform plan that would combine tax cut extensions, additional tax cuts, and a new elective alternative tax system that would replace all current deductions and credits with a large standard deduction. The new tax system would establish just two rates—10 and 25 percent. Leonard Burman, Greg Leiserson, and Jeff Rohaly’s article, *Revenue and Distributional Effects of the Individual Income and Estate Tax Provisions of Senator Thompson’s Plan for Tax Relief and Economic Growth*, demonstrated that the plan would be far and away the largest tax cut in history, reducing revenues over the next decade by between \$5 and \$7 trillion. The TPC analysts described the proposed changes in the individual income and estate tax and demonstrated that Thompson’s plan would be highly regressive, giving huge tax cuts to taxpayers with the highest incomes.



## CORPORATE TAXATION

The tax treatment of corporate income, carried interest, and capital gains received a lot of congressional and press attention in 2007. TPC staff advised policymakers in both the administration and Congress, weighed in with an op-ed, and hosted forums to facilitate debate.

On July 26, TPC codirector William Gale was among the leading economists invited to take part in a conference on *U.S. Business Tax Competitiveness*, hosted by Treasury Secretary Henry Paulson. Exploring ways to reform the U.S. corporate income tax, experts aimed to highlight the need for change and lay the foundation for further discussion and debate. Other speakers included Alan Greenspan, Martin Feldstein, and many corporate CEOs. No clear consensus on how best to reform the corporate tax emerged, but many of the experts argued that the current corporate tax rates are too high and the base is too confusing, noting that most other industrialized countries tax more corporate income but at lower rates. Gale contended that imposing different rates on different types of business activity distorts investment decisions and impairs economic efficiency.

In September, codirector Eugene Steuerle discussed the taxation of carried interest before the House Committee on Ways and Means. He argued that, on both efficiency and equity grounds, capital gains relief is best targeted where tax rates are high, citing the double taxation of corporate income as an example. In contrast, Steuerle said, the case for providing capital gains relief for carried interest is relatively weak, resting mainly on the administrative benefits of maintaining the simple partnership

structure, not on the value of capital income, entrepreneurial activity, or risk.



William G. Gale, Codirector

On September 7, the day after the congressional hearing, TPC convened *Taxing Carried Interest* at the Rayburn House Office Building. The debate raised fundamental questions about why different types of income should face different tax rates and, if the tax code does treat ordinary income and capital gains differently, how best to determine when income qualifies for capital gains treatment. Legal, economic, and ethical perspectives were all represented.



Larry Summers, U.S. Treasury Secretary from 1998 to 2000 and Charles W. Eliot University Professor at Harvard University was the lunchtime speaker at the TPC and International Tax Policy Forum, "Who Pays the Corporate Tax in an Open Economy?" (December 18).

In "End the Break on Capital Gains," a July 30 op-ed in *The Washington Post*, Leonard Burman argued that the capital

gains tax break that is so lucrative and inequitable in the case of carried interest is symptomatic of a broader problem. He argued that the lower rate on long-term capital gains tax does more harm than good and suggested that Congress should close the giant capital gains loophole once and for all.

TPC's final conference of 2007, cosponsored with the International Tax Policy Forum, addressed the question, *Who Pays the Corporate Tax in an Open Economy?* (December 18 at the Urban Institute). At this conference, experts addressed the question of how taxes imposed on corporations affect individuals—whether as lowered after-tax profits for capital owners, higher prices for consumers, reduced wages for workers, or some combination of the three. Expanding international trade and investment may change who ultimately pays corporate taxes and thus who bears the U.S. corporate tax burden.

### TAXATION AND THE FAMILY

A cornerstone of TPC's work is its analysis of how taxation affects children and families. The focus in 2007 was on tax credits for children and the expansion and simplification of student aid programs for low-income families.

Leonard Burman and Laura Wheaton's *Eligibility for Child Tax Credit by Age of Child* discussed how the earnings threshold prevents a disproportionate share of families with young children from receiving the full child tax credit because their incomes tend to be lower than those of parents with older children.

Jeff Rohaly's *Reforming the Child and Dependent Care Tax Credit*

(CDCTC) examined the revenue and distributional implications of making the CDCTC fully refundable—that is, allowing low-income families to take the child care credit even if they do not have income tax liability.

TPC analyst Elaine Maag's *Tax Notes* article, *The Disappearing Child Care Credit*, examined the two primary tax benefits parents use to offset child care costs—the CDCTC and the employer-provided child care exclusion.

***“People feel like they’re one loss of health insurance or job loss away from serious problems and the proposals are clearly playing to that.”***

**William Gale quoted in “Democrats Outline Tax Approach: Relief for Middle Earners Would be Offset by Increases for Wealthy,” by Deborah Solomon and Sarah Lueck, *The Wall Street Journal* (September 17, 2007).**

On May 23, TPC hosted the forum *Higher Education and the Tax System*, which focused on congressional proposals to address the skyrocketing cost of college tuition for U.S. families. Various tax credits, grants, and loans help many families meet college costs but do not adequately aid many needy students. The proposals aimed to simplify and expand student aid programs that may make the system work better for low-income families.

### TAXES AND THE ENVIRONMENT

TPC's forum, *Can Tax Policy Slow Global Warming?* (June 5 at the Urban Institute), examined policy responses to the threat of global warming, including a tax on the carbon content of fuels, tax incentives for alternative energy sources, and cap-and-trade systems to limit carbon emissions. Presenters compared the effectiveness of various policy

options as well as their impact on households at different income levels.

### STATE AND LOCAL TAX POLICY

A high point of TPC's state and local tax policy work this year was the March 30 conference, *State and Local Finances After the Storm: Is Smooth Sailing Ahead?*, cohosted with the Kellogg School of Management and the Institute for Policy Research at Northwestern University, and sponsored by the Lincoln Institute of Land Policy. A panel of experts spent a day considering how state and local governments responded to the fiscal crises that developed at the turn of the century and what pressures loomed ahead for states. Kim Rueben, Susan Kellam, and Therese McGuire

families. This work was based on a policy brief by Elaine Maag of TPC and Dave Merriman at the University of Illinois.

TPC analyst Kim Rueben and Sheila Murray of Texas A&M University coauthored *School Finance Over Time: How Changing Structures Affect Support for K–12 Education*. Published on the Lincoln Institute of Land Policy's web site in August, this research examined state governments' increasing role in funding K–12 education in the wake of school finance equalization lawsuits and the introduction of property tax limits by many states. The report also addressed states' changing reliance on the property tax as well as the differences in state and local spending depending on property



summarized the conference's findings in "Navigating State and Local Finances," published in the Lincoln Institute of Land Policy's October 2007 *Land Lines*. Their report discussed conference papers on state rainy-day funds, responses to the 2001 recession, state education spending, and state and local bonds and credit ratings. Also highlighted were presentations showing how substantial rainy-day funds in some states may have staved off broad-based tax increases and protected social services for low-income

tax limits and requirements to equalize school funding. Kim Rueben and Tracy Gordon from the University of Maryland summarized the paper in a policy brief that will be published by the New America Foundation.

All 2007 TPC publications, reports, testimonies and commentaries are listed at the end of this report and can be downloaded in full at <http://www.taxpolicycenter.org>.

## IMPROVING AND EXPANDING OUR MICROSIMULATION TAX MODEL

TPC researchers continued to improve our microsimulation model of the U.S. federal tax system. Major improvements include

- refining and improving the model's methods of statistically matching data from the IRS public use file of individual income tax returns with updated data on demographics from the Census Bureau's Current Population Survey;
- developing a model of health insurance tax incentives and public programs;
- adding educational data from the Current Population Survey and the National Postsecondary Student Aid Survey to analyze the impacts of the Hope and Lifetime Learning credits and other federal policies to promote higher education;
- updating the model's estate and consumption tax modules, which use wealth imputations from the Survey of Consumer Finances and consumption imputations from the Consumer Expenditure Survey and other data sources;
- developing a model of inheritance taxes as an alternative to the estate tax; and
- incorporating the latest publicly available tax return data and calibrating to economic and

demographic forecasts from the CBO and the Census.

There was tremendous demand for TPC analyses based on the model. We produced 344 revenue and distribution tables, and numerous analyses as part of the research described above. We also produced a simpler, clearer presentation of our standard model tables, backed up by the detailed analyses that we had traditionally created.

## COMMUNICATIONS AND OUTREACH

### ELECTION 2008

In preparation for the 2008 presidential election, TPC is developing an online *Tax Policy Briefing Book* to explain important tax issues likely to be raised during the campaign and to describe and analyze candidates' specific proposals. The *Briefing Book* is a concise and accessible guide that augments policy



Presidential candidate Barack Obama presenting his tax plan, "Tax Fairness for the Middle Class," at a TPC and Brookings Institution's Opportunity '08 forum (September 18).

explanations with descriptive graphs and links to data sources and detailed analyses. The *Briefing Book* will be

posted on our web site in early 2008 and expanded and updated over time.

On September 18, TPC joined with the Brookings Institution's *Opportunity '08* project to cohost a forum at which presidential candidate Senator Barack Obama presented his tax plan, which he called "Tax Fairness for the Middle Class." The Center has extended an open invitation to other presidential candidates to put forward their tax policy plans.

*"A GUIDE to tax proposals by presidential candidates is now available online. The Tax Policy Center ([www.taxpolicycenter.org](http://www.taxpolicycenter.org))... has posted a handy summary of tax plans by the candidates."*

*Personal Finance, The Wall Street Journal (October 17, 2007).*

In October, we posted a matrix that compares the presidential candidates' tax proposals. *The Wall Street Journal* and other newspapers highlighted the matrix as the place to go for information on candidates' tax plans and helped to attract a record number of visitors to our web site during the succeeding month.

### TaxVox

In October, TPC introduced *TaxVox*, the Center's new blog. Its goal is to communicate quickly and directly with the online community interested in fiscal policy issues. Blogger-in-chief Howard Gleckman and other TPC researchers write regularly about federal, state, and local legislation, tax administration, and new research on individual and business taxation. *TaxVox* is also a forum for discussing the presidential candidates' tax proposals. Nearly 70,000 people visited *TaxVox* in its first 10 weeks alone.

### PUBLIC FORUMS

In a radical departure from the talking-head format of many conferences, *Stupid Tax Tricks* (April 11 at the Urban Institute) used humor to illustrate many of our tax system's failings. This "Tax Day" event explored inscrutable tax provisions and the reasons well-intended tax incentives often miss their mark. Our sit-down comedians also explored the rare cases where tax policy and even the IRS might be the best instruments to advance nontax objectives. One of the audience's favorite "stupid tax tricks" was the chicken poop tax credit, a tax incentive to produce power from "poultry litter" that gives chicken farmers a windfall but has few environmental benefits. Another favorite was the Catch-22 earnings test for the child credit, which prevents many low-income families from claiming the full credit and denies the credit entirely to families that have no income at all.

### TPC WEB SITE

In September, TPC completed the redesign and reorganization of its web site, making it easier for users to find and interpret information. Key improvements include the following:

- **New *Tax Topics* web pages that provide centralized information on key tax issues, such as the AMT.** *Tax Topics* pages help users by bringing together the most relevant material on a specific topic in one place. Users can more readily find TPC products that meet their needs, and those new to a topic can learn the essentials and follow the links to learn more. (A comprehensive listing of TPC's *Tax Topics* web modules is included on page 23.) Each *Tax*

*Topic* page offers concise definitions of terms and issues.

- **Improved search capabilities to help users find specific material.** Our completely overhauled search process allows users to refine their searches and zero in on specific products. Users can now specify the type of TPC product they want to see, relevant date ranges, and other key parameters. After reorganizing our databases, we now also identify “Best Bets” (similar to Google’s sponsored links) for many tax issues, adding keywords to focus searches and consolidating tables into related sets that bring together all the relevant data on a single issue.
- **A new *Media Resources* section offers reporters the material they need and easy contact with TPC experts.** A main TPC function is providing useful information to the press and other media, which in turn help to inform the public about important and often complex tax issues. The new web site expands media resources so reporters can find relevant material quickly and easily. “Talk with an Expert” identifies TPC experts on various topics and provides their e-mail addresses and telephone numbers to facilitate contacts.
- **RSS feeds that alert subscribers to new publications and estimates.** Our RSS feeds now alert subscribers to new TPC products as soon as they become available. The feeds “push” information on new materials to all subscribers, not just regular visitors to our web site.
- **The *Tax Fact of the Day*, a brief fact about a specific tax issue, linked to more detailed**

**information on the topic.** This simple addition to the web site should draw users on a regular basis and help educate them about a broad range of tax issues. Changed daily, the *Tax Fact of the Day* is a simple statement about a tax issue linked to supporting data in the TPC Tax Facts database.

- ***Improved help pages to assist users in navigating the site.*** A number of pages help users navigate the TPC web site. Some pages simply explain where materials appear on the site. Others tell users how to search the site. And, perhaps most useful, some explain how to interpret tables of estimates. A help icon, a large question mark, appears throughout the site.

#### E-MAIL NEWSLETTER

TPC’s electronic newsletter is integral to publicizing new events, publications, and distributional analyses to a broad audience. In 2007, TPC issued 27 newsletters announcing upcoming events, such as the forum with Barack Obama, the debuts of TPC’s renovated web site and new web blog, and the release of new analysis, research, and commentary. The newsletters allow TPC to reach a broad range of users easily and quickly, widely extending access to our products.

#### MEDIA COVERAGE

Reporters rely on TPC’s expertise on an array of tax policy topics. In 2007, the TPC experts and their work were cited almost 600 times in the news media, including 86 times (9 of them editorials) in *The New York Times*, *The Washington Post*, and *The Wall Street Journal*. The Center’s experts, analyses, and

distributional tables lent background and ballast to many media articles. For example, TPC's analysis and follow-up evaluation of the president's health insurance proposal, published on the night of President Bush's State of the Union Address, appeared in several media discussions of the plan. Significant coverage followed our forum with Barack Obama and the release of Chairman Rangel's tax plan, which included a modified version of the AMT option developed by Leonard Burman and Greg Leiserson in a TPC paper.

TPC analyses were also quoted in editorials. Over the December 8 weekend, an editorial in *The Washington Post* cited TPC AMT estimates while another used TPC's estimate of the cost of presidential candidate Fred Thompson's tax proposal.

A comprehensive list of media citations appears on the Tax Policy Center's web site at <http://www.taxpolicycenter.org/press/index.cfm>.

## **COLLABORATION WITH OTHER ORGANIZATIONS**

TPC leverages its influence on public policy by supplying information and analysis to other think tanks and advocacy organizations and by cosponsoring and presenting information and work products at specific events.

TPC maintains an especially productive relationship with the Center on Budget and Policy Priorities (CBPP) and the state-specific organizations CBPP works with in the State Fiscal

Analysis Initiative (SFAI). Almost half of CBPP's federal tax reports in 2007 cited or mentioned TPC. In addition, TPC and CBPP staff collaborated on specific projects. For example, Kim Rueben and CBPP's Deputy Director Iris Lav cowrote *Lower Taxes and Economic Growth: Response to a Flawed Analysis*, an analytical response to Florida's plan to stimulate economic growth by rolling back property taxes and place a tight growth limit on state and local revenues.

*“[The 50 percent increase in audits] could mean either greater efficiency or less intensive audits. And that may not be all bad. There's a case to be made for so-called light-touch audits. To the extent that the IRS can make its presence felt by more audits it might encourage more people to... they have a higher chance of being audited and that might increase the chance of voluntary compliance.”*

**Eric Toder quoted in “Congress wants a look under the couch cushions,” *Marketplace* (March 20, 2007).**

Researchers from a wide array of research organizations, federal, state, and local governments, and the private sector now rely on TPC's estimates and analysis. During a March hearing before the Ways and Means committee, three of the four experts asked to testify (Nina Olson, National Taxpayer Advocate from the IRS; Alan Viard from the American Enterprise Institute [AEI]; and Leonard Burman from TPC) referenced TPC analysis. During a June hearing before the Senate Finance Committee, all four experts asked to testify (Frank Degen from the National Association of Enrolled Agents, Leonard Burman from TPC, Kevin Hassett from AEI, and Michael Graetz from Yale Law School) used TPC analysis to support their testimony.

A 2007 Urban Institute Press book, *Taxing Capital Income*, edited by Leonard Burman, Henry Aaron, and Eugene Steuerle, included papers from a TPC conference cosponsored by the American Tax Policy Institute and Tax Analysts.

Besides supplying data and analysis, TPC scholars routinely participate in presentations and roundtables with other organizations. TPC cohosted an event with AEI on “Options to Fix the AMT.” In addition, Eric Toder served his second year of a three-year term on the tax gap subgroup of the Internal Revenue Service Advisory Council (IRSAC). This team of academic experts on tax compliance is tasked with making recommendations to the IRS on how to measure compliance better. In March, Toder was a presenter and panelist at the IRS-Treasury public meeting on the tax gap. Elaine Maag discussed the EITC at events set up by CBPP and the Brookings Institution. Kim Rueben spoke at a New America Foundation event on funding universal health care in California and presented findings on the deductibility of state and local taxes at a meeting sponsored by the Tax Foundation. Leonard Burman was a featured speaker at the annual conference of the Federation of Tax Administrators. Rudy Penner and Eugene Steuerle participated in a series of fiscal seminars with members of other think tanks, including the Brookings Institution, Heritage Foundation, Cato Institute, and New America Foundation.

## **WHAT TO EXPECT IN 2008**

TPC will continue to provide current analysis of tax policy issues and help inform the nation’s long-term agenda, emphasizing unbiased tax analysis for

candidates and voters alike. Our *Tax Policy Briefing Book* will feature very short and highly focused briefing memos that give background information on tax policy topics, reasons for change, and options for policy improvements. As the year progresses, we will issue more detailed policy briefs on selected topics for those who want to delve deeper. TPC will bring together many of the briefs’ authors, policy staff and reporters at a major conference in Washington, D.C., with the goal of getting political candidates, the press, and others to use the briefing book as they develop and evaluate policy options during the 2008 election year.

Also in 2008, TPC will finish developing its health insurance policy simulation model in collaboration with the Urban Institute’s Health Policy Center. The model will allow us to study the effects of tax and spending policies on health insurance coverage and the cost and distribution of health insurance tax incentives.

We will also continue to enhance the TPC web site to address the particular needs of the media, political staff, and interested public. In the next year, we anticipate expanding our “Useful Graphs and Tables”—a collection of ready-made figures and tables that illustrate key points about important tax issues. Separate lists of TPC policy briefs, slide shows, upcoming and past events, and TPC newsletters and annual reports will highlight materials of most relevance to reporters. Our *Media Resources* page will offer journalists “one-stop shopping”—a place to quickly find material to support their stories.

## FUNDING

Support for TPC comes from a generous consortium of funders, including the American Tax Policy Institute, Annie E. Casey Foundation, Brodie Price Fund at the Jewish Community Foundation of San Diego, Charles Stewart Mott Foundation, Ford Foundation, George Gund Foundation, Lincoln Institute of Land Policy, Lumina Foundation, John D. and Catherine T. MacArthur Foundation, Rockefeller Foundation, Sandler Family Foundation, Stoneman Family Foundation, and a number of private donors.

To further develop and expand the Center's resource base, TPC has launched a campaign to raise \$10 million through an "Opportunity Fund" that will provide unrestricted support during the coming critical years. This stable base of capital will give TPC more flexibility to react quickly to emerging tax issues and have a bigger impact on them in their embryonic stage. TPC could spend less time on fundraising, and more time on what it does best—analyzing tax policy issues and informing the public about them in real time.

Finally, the opportunity fund will enable us to capitalize on our unique platform in three critical ways:

- 1) The fund will allow us to expand our staff and broaden the range of issues that we address. In particular, TPC could hire outstanding tax policy experts when we need them instead of only when we can find the funds.
- 2) The fund will enable TPC to invest regularly in maintaining and expanding the tax model irrespective of funding cycles that may not mesh well with public policy needs. In particular, we could develop new

modules on such topics as consumption taxes and capital taxation.

- 3) The fund will help TPC continue improving our web site and explore other ways to communicate with our many constituencies. With sufficient resources, we could exploit the full potential of the web by developing interactive policy tools and other innovations to engage and educate the public.

*If you would like to support the TPC,  
please visit*

*<http://www.taxpolicycenter.org>*

## **STAFF**

A key to our success is our staff, which includes some of the most respected tax and budget policy experts in the nation. We also draw on exceptional colleagues at the Urban Institute and Brookings Institution who contribute extraordinary expertise on particular program areas related to tax policy.

### ***DIRECTOR***

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### **TPC ADVISORS**

To ensure credibility and the highest standards, the Tax Policy Center's advisory board represents a broad range of tax policy interests and expertise.

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## **PUBLICATIONS, REPORTS, AND COMMENTARIES**

### **TPC RESEARCH PLACEMENT IN TAX ANALYST PUBLICATIONS**

#### **TAX NOTES, TAX FACTS, SHORT EXPLANATIONS OF RELEVANT TAX DATA**

- “From Personal Income to Taxable Income, 1950-2004.” Adam Carasso and C. Eugene Steuerle. January 23.
- “The Share of Taxpayers Who Itemize Deductions Is Growing.” Eric Toder and Carol Rosenberg. February 15.
- “State Individual Income Tax Progressivity.” Carol Rosenberg. March 28.
- “Two-Thirds of Tax Units Pay More Payroll Tax Than Income Tax.” Leonard E. Burman and Greg Leiserson. April 9.
- “Where Does Federal Revenue Come From?” Roberton Williams. June 7.
- “Federal, State, and Local Government Revenues.” Roberton Williams. July 2.
- “How Much Federal Spending Is Uncontrollable?” Rudolph Penner and Julianna Koch. July 16.
- “Fewer Business Are Organized as Taxable Corporations.” Eric Toder and Julianna Koch. August 6.
- “The Disappearing Child Care Credit.” Elaine Maag. October 11.

#### **ECONOMIC PERSPECTIVE BY C. EUGENE STEUERLE**

- “Prescribing Better under Bush’s Health Plan.” January 31.
- “Fixing the AMT by Raising Tax Rates.” April 9.
- “Restoring Professionalism to Professions.” April 30.
- “A Method for Measuring and Partially Testing ‘Charitability’ (part 1 of 3).” July 23.
- “A Method for Measuring and Partially Testing ‘Charitability’ (part 2 of 3).” July 30.
- “A Method for Measuring and Partially Testing ‘Charitability’ (part 3 of 3).” August 6.

#### **TAX BREAK**

- “Still Crazy After All These Years: Understanding the Budget Outlook.” Alan J. Auerbach, Jason Furman, and William G. Gale. May 1.
- “Encouraging Homeownership through the Tax Code.” William G. Gale, Jonathan Gruber, and Seth Stephens-Davidowitz. June 27.

#### **TAX NOTES**

- “A Simple, Progressive Replacement for the AMT.” Leonard Burman and Greg Leiserson. May 23.
- “The President’s Proposed Standard Deduction for Health Insurance: An Evaluation.” Leonard Burman, Jason Furman, Greg Leiserson, and Roberton Williams. February 15.
- “Energy Taxation: Principles and Interests.” Eric Toder. May 8.

- “Eliminating Tax Expenditures with Adverse Environmental Effects.” Eric Toder. May 31.
- “What Is the Tax Gap?” Eric Toder. October 22.

#### **LEONARD BURMAN’S COMMENTARIES ON *MARKETPLACE***

- “It’s All About *How* You Raise the Minimum Wage.” January 9.
- “What’s the Alternative to the AMT?” March 21.

#### **OTHER TPC PUBLICATIONS, OP-EDS, AND COMMENTARIES**

##### ***TPC DISCUSSION PAPERS***

- “Tax Considerations in a Universal Pension System (UPS).” Adam Carasso and Jonathan Barry Forman. December 20.

##### ***TPC RESEARCH REPORTS***

- “Income Taxes and Tax Rates for Sample Families, 2006.” Greg Leiserson. January 2.
- “Options to Fix the AMT.” Leonard Burman, Greg Leiserson, William G. Gale, and Jeff Rohaly. January 19.
- “The President’s Health Insurance Proposal: A First Look.” Leonard Burman, Jason Furman, and Robertson Williams. January 23.
- “The 15 Percent Rate on Capital Gains: A Casualty of the Alternative Minimum Tax.” Greg Leiserson. March 7.
- “What Is Responsible for the Growth of the AMT?” Greg Leiserson and Jeff Rohaly. March 13.
- “Eligibility for Child Tax Credit by Age of Child.” Leonard Burman and Laura Wheaton. May 22.
- “Reforming the Child and Dependent Care Tax Credit.” Jeff Rohaly. June 11.
- “Reducing the Tax Gap: The Illusion of Pain-Free Deficit Reduction.” Eric Toder. July 3.
- “Distributional Effects of the Major Individual Income Tax Provisions of H.R. 3970, The Tax Reduction and Reform Act of 2007.” Greg Leiserson and Jeffrey Rohaly. October 26.
- “Revenue and Distributional Effects of the Individual Income and Estate Tax Provisions of Senator Thompson’s Plan for Tax Relief and Economic Growth.” Leonard Burman, Greg Leiserson, and Jeff Rohaly. December 10.

##### ***POLICY BRIEFS***

- “Fiscal Disparities across States, FY 2002.” Yesim Yilmaz, Sonya Hoo, Matthew Nagowski, Kim Rueben, and Robert Tannenwald. Issues and Options Brief #16. January 2.
- “Tax Credits, the Minimum Wage, and Inflation.” Elaine Maag. Issues and Options Brief #16. January 2.

- “Subsidizing Higher Education through Tax and Spending Programs.” Elaine Maag, David Mundel, Lois Rice, and Kim Rueben. Issues and Options Brief #18. May 16.

### **OTHER RESEARCH REPORTS**

- “Fixing the Tax System: Support Fairer, Simpler, and More Adequate Taxation.” William G. Gale. *Opportunity '08*. February 28.
- “Towards a More Consistent Distributional Analysis.” Leonard Burman, Jane G. Gravelle, and Jeff Rohaly. *National Tax Association* research paper. June 19.
- “Should We Eliminate Taxation of Capital Income?” Kim Rueben and Eric Toder. In *Taxing Capital Income*, edited by Henry Aaron, Leonard Burman, and C. Eugene Steuerle (89–142). Urban Institute Press, Washington, D.C., June 21.
- “A Proposal to Finance Long-Term Care Services through Medicare with an Income Tax Surcharge.” Richard Johnson and Leonard Burman. Urban Institute research report. June 22.
- “School Finance Over Time: How Changing Structures Affect Support for K–12 Education.” Kim Rueben and Sheila Murray. Lincoln Institute of Land Policy Working Paper 7/07. July.
- “SCHIP: Is Increasing the Tobacco Tax to Expand Coverage a Good Idea?” Leonard Burman, Kim Rueben, and Genevieve Kenney. *Health Affairs* blog. August 21.
- “Financing Health Insurance Coverage; California’s Revenue Structure and Options.” Kim Rueben and Tracy Gordon. New America Foundation. September 27.
- “Navigating State and Local Finances.” Susan Kellam, Kim Rueben, and Therese McGuire. *Land Lines*. September 28.
- “Can a Child Health Insurance Tax Credit Serve as an Effective Substitute for SCHIP Expansion?” Linda Blumberg and Genevieve Kenney. *Health Policy Online*. October 18.
- “The Alternative Minimum Tax: Assault on the Middle Class.” Leonard Burman. *Milken Review*. October 29.

### **BOOKS**

- *Taxing Capital Income*. Leonard E. Burman, Henry J. Aaron, and C. Eugene Steuerle, editors. Urban Institute Press. June 21.

### **THE GOVERNMENT WE DESERVE, PERIODIC COMMENTARIES BY C. EUGENE STEUERLE ON THE NATION’S MOST PRESSING SOCIAL AND ECONOMIC ISSUES**

- “Now to Really Tackle Discrimination.” July 10.
- “An Ever-More Charitable Society.” October 2.
- “Broader Issues in Taxing Hedge Fund Managers and Private Equity Partners.” October 15.
- “The Office of the President.” November 15.
- “Employment and That Magical Year, 2008.” December 12.

## OP-EDS AND OTHER COMMENTARY

- “The President’s Healthcare Proposal Misses the Point.” Linda J. Blumberg and John Holahan. Urban Institute commentary. February 1.
- “Three Steps to Better Healthcare.” Henry J. Aaron. *Los Angeles Times*. February 15.
- “End the Break on Capital Gains.” Leonard Burman. *The Washington Post*. July 30.

## TAXVOX, TPC’S TAX AND BUDGET POLICY BLOG

- “Carry Me Back to Old Greenwich.” Howard Gleckman. October 11.
- “A Taxing Day for Health Reform.” Howard Gleckman. October 19.
- “Very Interesting ... but Stupid.” Leonard Burman. October 22.
- “Dodging the Deficit.” Howard Gleckman. October 23.
- “The Perils of Paulson.” Howard Gleckman. October 24.
- “The Mother of All Tax Reforms.” Howard Gleckman. October 25.
- “A \$1 Trillion Tax Hike?” Jason Furman. October 26.
- “A Reluctant Defense of the Surtax.” Leonard Burman. October 26.
- “Two Articles Relevant to the Rangel Proposal.” Leonard Burman. October 27.
- “Hensarling’s Law.” Howard Gleckman. October 29.
- “A Burning Tax Issue.” Kim Rueben. October 31.
- “I Am a Great Admirer of Charlie Rangel.” Howard Gleckman. November 1.
- “Who Wins with the AMT Patch?” Robertson Williams. November 5.
- “Do Seniors Deserve More Tax Cuts?” Howard Gleckman. November 6.
- “Into the Pumpkin Patch.” Howard Gleckman. November 8.
- “Stein’s Law.” Howard Gleckman. November 13.
- “Ready for Online Access to Your Tax Returns?” Howard Gleckman. November 15.
- “The Real Problem with Social Security.” Howard Gleckman. November 20.
- “The Real Problem with Social Security II.” Howard Gleckman. November 27.
- “Taxes Are Complicated.” Greg Leiserson. November 28.
- “Read My Lips.” Howard Gleckman. November 29.
- “Mortgage Bonds: No Fix for the Subprime Mess.” Howard Gleckman. December 4.
- “Addicted to the Patch.” Leonard Burman. December 7.
- “Pay Go, Pay Gone: AMT Drives Senate Dems to Blink.” Howard Gleckman. December 7.
- “Huckabee’s Retail Sales Tax: It Doesn’t Add Up.” Howard Gleckman.
- “Bipartisan Blame.” Robertson Williams. December 12.
- “The Energy Bill Give-Away.” Howard Gleckman. December 14.
- “Fed to Banks: Lend Only to Those Who Can Repay.” Howard Gleckman. December 18.
- “Terrorism Insurance: Another Subsidy That Will Not Die.” Howard Gleckman. December 20.
- “TaxVox’s First Annual Lump of Coal Awards.” Howard Gleckman. December 24.
- “Economic Stimulus: In Play for ‘08.” Howard Gleckman. December 27.
- “We Are All Keynesians Now (Heaven Help Us!).” Leonard Burman. December 31.

## **PUBLIC FORUMS**

- “First Tuesday Forum: Increasing the Minimum Wage: Implications and Effects.” (January 2 at the Urban Institute.)
- “The 18th Annual Urban Institute Roundtable on the President’s Budget and the Economy.” (February 9 at the Urban Institute.)
- “New Directions in Health Policy: A Discussion of the President’s Tax-Based Health Insurance Proposals.” (February 9 at the Brookings Institution.)
- “State and Local Finances After the Storm: Is Smooth Sailing Ahead?” (March 30 at the Urban Institute.)
- “Stupid Tax Tricks.” (April 11 at the Urban Institute.)
- “Options to Fix the AMT.” (April 16 at the American Enterprise Institute.)
- “Higher Education and the Tax System.” (May 23 at the Brookings Institution.)
- “Can Tax Policy Slow Global Warming?” (June 5 at the Urban Institute.)
- “Barack Obama Speech on Tax Policy.” (September 18 at Hilton Embassy Row.)
- “Taxing Carried Interest.” (September 7 at the Rayburn House Office Building.)
- “Who Pays the Corporate Tax in an Open Economy?” (December 18 at the Urban Institute.)

## **TESTIMONY**

- “Why Deficits Matter.” Edward Gramlich before the U.S. House Committee on the Budget. January 23.
- “Defining Our Long-Term Fiscal Challenges.” Robert D. Reischauer before the U.S. Senate Committee on the Budget. January 30.
- “Defining Our Long-Term Fiscal Challenges.” C. Eugene Steuerle before the U.S. Senate Committee on the Budget. January 30.
- “Options to Close the Long-Run Fiscal Gap.” Jason Furman before the U.S. Senate Committee on the Budget. February 15.
- “Fairness in Tax Policy.” Leonard Burman before the Subcommittee on Financial Services and General Government, House Appropriations Committee. March 5.
- “The Individual Alternative Minimum Tax.” Leonard Burman before the Subcommittee on Select Revenue Measures, House Ways and Means Committee. March 7.
- “The Individual Alternative Minimum Tax.” Leonard Burman before the U.S. Senate Committee on Finance. June 27.
- “Tax Fairness, the 2001-2006 Tax Cuts, and the AMT.” Leonard Burman before the U.S. House Committee on Ways and Means. September 6.
- “Tax Reform, Tax Arbitrage, and the Taxation of Carried Interest.” C. Eugene Steuerle before the U.S. House Committee on Ways and Means. September 6.
- “Tax Code and Health Insurance Coverage.” Leonard Burman before the U.S. House Committee on the Budget. October 18.

## **TPC TAX TOPICS WEB MODULES**

- 2008 Presidential Candidates' Tax Proposals  
[http://www.taxpolicycenter.org/taxtopics/election\\_issues\\_matrix.cfm](http://www.taxpolicycenter.org/taxtopics/election_issues_matrix.cfm)
- Current Law Distribution of Taxes  
<http://www.taxpolicycenter.org/taxtopics/currentdistribution.cfm>
- Distribution of the 2001–06 Tax Cuts  
<http://www.taxpolicycenter.org/taxtopics/cuts0106.cfm>
- Education Tax Incentives  
<http://www.taxpolicycenter.org/taxtopics/Education-Tax-Incentives.cfm>
- Estate and Gift Taxes  
<http://www.taxpolicycenter.org/taxtopics/estatetax.cfm>
- Individual Alternative Minimum Tax (AMT)  
<http://www.taxpolicycenter.org/taxtopics/AMT.cfm>
- Marriage Penalties  
<http://www.taxpolicycenter.org/taxtopics/Marriage-Penalties.cfm>
- Payroll Taxes  
<http://www.taxpolicycenter.org/taxtopics/Payroll-Taxes.cfm>
- Pensions and Retirement Saving  
<http://www.taxpolicycenter.org/taxtopics/Retirement-Saving.cfm>
- State and Local Finances  
<http://www.taxpolicycenter.org/taxtopics/statelocalgovernment.cfm>
- Select Entries from the *NTA Encyclopedia of Taxation and Tax Policy*  
<http://www.taxpolicycenter.org/taxtopics/Tax-Encyclopedia-Index.cfm>
- Tax Incentives for Health Insurance  
<http://www.taxpolicycenter.org/taxtopics/healthinsurance.cfm>
- The Federal Budget  
<http://www.taxpolicycenter.org/taxtopics/budget.cfm>
- Working Families  
<http://www.taxpolicycenter.org/taxtopics/Working-Families.cfm>



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