



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION

Guide to Tables: Governor Pawlenty Tax Plan

Urban-Brookings Tax Policy Center

June 10, 2011

ABSTRACT

This short guide gives an explanation to how TPC calculated the distributional effects of Governor Pawlenty's tax reform proposals.

The findings and conclusions contained within are those of the author and do not necessarily reflect positions or policies of the Tax Policy Center or its funders.

Republican presidential candidate Tim Pawlenty has proposed a tax reform that includes the following provisions:

- make 2011 tax law permanent
- repeal the alternative minimum tax
- impose a two rate structure: 10 percent (on the first \$50,000, \$100,000 for joint returns) and 25 percent, with thresholds indexed for inflation after 2011
- exclude interest income, dividends, and gains from sales of capital assets from taxable income
- repeal the deduction for investment interest
- repeal the 3.8 additional Medicare tax on investment income
- impose an alternative tax rate of 15 percent on sole proprietor, farm, partnership, S corporations, and rental income
- repeal the estate, gift and generation skipping transfer taxes
- reduce the corporate tax rate to 15 percent

Because Governor Pawlenty did not spell out all details of his plan, TPC estimated the revenue and distributional effects of an illustrative option that broadens the corporate tax base by eliminating the tax expenditures included in the Bipartisan Policy Center's Rivlin-Domenici plan but does not eliminate any individual income tax expenditures. TPC will provide revised estimates if the governor provides more details about his plan.

Revenue Tables			
Current Law 2012-21		Current Policy 2012-21	
Distributional Tables			
Current Law 2013		Current Policy 2013	
Income Levels	Income Percentiles	Income Levels	Income Percentiles