

Table T15-0232
Donald Trump's Tax Reform Plan: Impact on Tax Revenue, 2016-26 by Fiscal Year and Total for FY2027-36 ¹
Baseline: Current Law

Proposal	Fiscal Year												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-26	2027-36
Individual Income and Payroll Taxes													
Repeal the individual AMT	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 the 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
Individual income tax rates of 10, 20, and 25 percent	0.0	-231.9	-322.2	-343.1	-365.6	-387.3	-409.1	-433.5	-459.3	-482.7	-511.5	-3,946.2	-6,818.9
Standard deduction of \$25,000/\$50,000	0.0	-216.9	-294.1	-302.6	-314.1	-326.6	-339.6	-353.3	-366.9	-380.8	-394.8	-3,289.7	-4,805.8
Tax business income at preferential rates	0.0	-59.8	-82.7	-87.6	-92.7	-97.9	-102.7	-108.9	-115.8	-121.1	-127.9	-996.9	-1,567.8
Double phaseout rates for Pease and PEP	0.0	8.4	11.8	12.7	13.7	14.5	15.3	16.3	17.2	18.0	19.1	146.9	263.9
Limit value of certain tax expenditures to 10 percent	0.0	54.7	72.6	77.5	83.0	88.7	94.7	100.6	106.4	112.4	118.5	909.3	1,652.9
Repeal various business tax expenditures	0.0	14.6	27.8	29.3	30.4	31.6	32.7	33.9	35.2	36.3	37.5	309.3	449.3
Tax carried interests as ordinary business income	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.5	-0.1
Repeal exclusion of investment income on life insurance contracts issued after Dec. 31, 2016	0.0	0.7	2.0	3.5	4.9	6.5	8.0	9.6	11.4	13.1	14.9	74.5	235.9
Total for individual income and payroll tax revenue	-6.7	-453.2	-621.5	-660.1	-695.4	-728.3	-761.5	-798.7	-837.6	-873.3	-914.9	-7,351.2	-11,534.2
Corporate Income Tax													
Repeal the corporate AMT	0.0	-6.6	-13.0	-12.1	-9.9	-8.3	-7.8	-8.0	-8.1	-8.4	-8.7	-90.9	-109.9
Reduce corporate rate to flat 15 percent starting in 2017	0.0	-107.8	-215.0	-237.1	-241.6	-249.9	-256.4	-264.0	-273.4	-282.9	-294.3	-2,422.3	-3,676.7
End deferral for income of CFCs earned after Dec. 31, 2016	0.0	7.6	15.3	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1	159.6	171.0
Require deemed repatriation over 10 years of accumulated pre-2017 earnings of CFCs, with reduced rates	0.0	7.1	14.2	15.8	15.8	15.8	15.8	15.8	15.8	15.8	15.8	147.8	10.3
Repeal various corporate tax expenditures	0.0	7.9	17.4	21.0	22.9	25.3	28.0	30.8	33.7	36.8	40.1	263.8	490.6
Total for corporate income tax revenue	0.0	-91.8	-181.2	-195.3	-195.7	-200.0	-203.3	-208.3	-214.9	-221.5	-230.0	-1,942.0	-3,114.7
Estate and Gift Taxes													
Repeal the estate, gift and GST taxes for deaths and gifts made on or after Jan. 1, 2017	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 revenue	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 plan	-6.7	-544.9	-817.4	-877.6	-915.2	-953.3	-990.7	-1,033.7	-1,080.0	-1,123.1	-1,174.3	-9,517.0	-15,001.4
Addendum 1: Increase in federal debt service costs													
Increase in deficit (before debt service costs)	6.7	544.9	817.4	877.6	915.2	953.3	990.7	1,033.7	1,080.0	1,123.1	1,174.3	9,517.0	15,001.4
Interest cost	0.1	5.1	24.6	56.7	93.2	133.0	176.1	222.9	272.1	325.9	384.9	1,694.5	7,924.7
Increase in deficit	6.8	550.0	842.0	934.3	1,008.4	1,086.3	1,166.7	1,256.6	1,352.2	1,449.0	1,559.2	11,211.5	22,926.1
Addendum 2: Increase in federal debt relative to GDP													2036
Increase in federal debt	6.8	556.8	1,398.8	2,333.1	3,341.5	4,427.8	5,594.6	6,851.2	8,203.3	9,652.3	11,211.5		34,137.6
GDP ²	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)	0.0%	2.8%	6.8%	10.9%	15.0%	19.0%	23.1%	27.1%	31.1%	35.2%	39.2%		79.8%

Sources: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-3A) and TPC estimates.

1. Baseline is current law (including provisions in the Protecting Americans from Tax Hikes Act of 2015 and the Consolidated Appropriations Act of 2016). Unless otherwise noted, provisions are assumed effective 01/01/2017. Estimates include microdynamic behavioral responses. For a description of the provisions, see TPC's "An Analysis of Donald Trump's Tax Plan."

2. 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).