

Table T16-0223
Donald Trump's Revised Tax Plan: Impact on Tax Revenue, 2016-26 by Fiscal Year and Total for FY2027-36
Baseline: Current Law

Proposal	Fiscal Year (\$ billions)												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-26	2027-36
Individual Income and Payroll Taxes													
Repeal net investment income tax	-5.6	0.9	-2.5	-12.3	-15.4	-16.1	-16.9	-17.8	-18.7	-19.7	-20.7	-144.5	-279.4
Repeal alternative minimum tax	0.0	-24.1	-33.5	-36.0	-38.7	-41.4	-43.6	-45.7	-47.7	-49.9	-52.3	-412.8	-699.3
Repeal head of household filing status	0.0	8.1	11.3	11.8	12.3	12.8	13.5	14.1	14.7	15.5	16.3	130.5	209.8
Repeal personal exemptions	0.0	132.9	180.5	186.1	192.4	200.4	207.5	214.0	220.5	229.0	236.3	1,999.7	2,870.6
Individual income tax rates of 12, 25, and 33 percent	0.0	-90.0	-125.4	-131.4	-138.2	-144.5	-151.8	-161.4	-171.9	-182.3	-193.4	-1,490.4	-2,512.5
Increase standard deduction to \$15,000 (\$30,000 married), indexed for inflation after 2016	0.0	-118.9	-160.4	-163.3	-165.2	-168.8	-172.9	-177.8	-182.0	-187.3	-191.9	-1,688.4	-2,263.9
Cap itemized deductions at \$100,000 (\$200,000 married), indexed for inflation after 2016	0.0	29.7	42.8	46.4	49.9	53.5	57.1	62.2	67.1	72.3	77.6	558.6	1,020.8
Childcare provisions	0.0	-8.3	-11.4	-11.9	-12.5	-13.0	-13.7	-14.2	-14.9	-15.5	-16.1	-131.5	-204.8
Elective flat rate of 15 percent on pass-through income; distributions from large pass-throughs taxed as dividends	0.0	-54.2	-74.5	-78.1	-83.7	-87.9	-92.0	-97.2	-103.2	-108.9	-114.8	-894.6	-1,423.3
Shifting of wages and salaries to business income	0.0	-6.3	-16.1	-27.8	-40.2	-53.2	-66.5	-82.6	-100.0	-118.5	-137.7	-648.9	-1,915.5
Allow expensing of all investment (except land) and disallow interest deduction for pass-throughs that expense	0.0	-71.6	-89.9	-83.5	-79.1	-77.1	-66.9	-61.0	-56.8	-52.9	-50.3	-689.2	-276.5
Tax carried interests as ordinary business income	0.0	0.1	0.9	1.0	1.1	1.2	1.3	1.2	1.2	1.2	1.2	10.3	12.3
Repeal certain pass-through business tax expenditures	0.0	3.3	5.2	5.7	5.8	6.1	6.2	6.2	6.3	6.5	6.7	58.0	76.4
Total for individual income and payroll tax revenue	-5.6	-198.3	-273.1	-293.3	-311.4	-327.9	-338.8	-360.1	-385.3	-410.6	-439.0	-3,343.3	-5,385.1
Corporate Income Tax													
Reduce corporate rate to 15% and repeal the corporate AMT	0.0	-102.4	-207.6	-233.4	-248.0	-246.5	-250.7	-255.5	-261.9	-269.6	-279.1	-2,354.8	-3,513.8
Allow expensing of all investment (except land) and disallow interest deduction for corporations that expense	0.0	-55.3	-98.6	-91.8	-84.5	-75.1	-57.9	-44.0	-34.5	-27.8	-23.4	-592.8	-98.9
Deemed repatriation over 10 years of accumulated untaxed 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 certain corporate tax expenditures	0.0	4.8	10.2	12.6	14.2	15.9	17.7	19.7	21.7	23.9	26.2	167.0	371.1
Total for corporate income tax revenue	0.0	-145.9	-281.7	-296.7	-302.4	-289.8	-275.1	-264.0	-258.9	-257.7	-260.5	-2,632.8	-3,231.4
Estate and Gift Taxes													
Repeal the estate, gift and GST taxes; tax capital gains at death with \$5 million exemption	0.0	3.1	-9.9	-17.2	-18.9	-19.5	-20.3	-21.2	-22.1	-23.5	-24.7	-174.2	-324.5
Total for estate and gift tax revenue	0.0	3.1	-9.9	-17.2	-18.9	-19.5	-20.3	-21.2	-22.1	-23.5	-24.7	-174.2	-324.5
Total revenue effect of plan	-5.6	-341.0	-564.7	-607.2	-632.7	-637.3	-634.2	-645.4	-666.3	-691.8	-724.2	-6,150.4	-8,941.0
Addendum 1: Increase in federal debt service costs													
Increase in deficit (before debt service costs)	5.6	341.0	564.7	607.2	632.7	637.3	634.2	645.4	666.3	691.8	724.2	6,150.4	8,941.0
Interest cost	0.0	3.9	15.0	39.5	63.5	89.6	116.0	144.0	173.4	204.7	237.8	1,087.4	4,751.4
Increase in deficit	5.6	345.0	579.7	646.7	696.2	726.9	750.2	789.4	839.7	896.4	962.0	7,237.8	13,692.4
Addendum 2: Increase in federal debt relative to GDP													
Increase in federal debt	5.6	350.6	930.3	1,577.1	2,273.2	3,000.1	3,750.3	4,539.6	5,379.3	6,275.8	7,237.8		In 2036 20,930.2
GDP ¹	18,493.8	19,296.5	20,127.1	20,906.0	21,709.7	22,593.2	23,527.5	24,497.2	25,505.6	26,559.2	27,660.0		41,511.7
Increase in federal debt relative to GDP (percent)	0.0%	1.8%	4.6%	7.5%	10.5%	13.3%	15.9%	18.5%	21.1%	23.6%	26.2%		50.4%

Source: Urban-Brookings Tax Policy Center (TPC) Microsimulation Model (version 0516-1) and TPC off-model estimates.

¹ The GDP forecast through 2026 is from CBO, The Budget and Economic Outlook: 2016 to 2026 (January 2016) and for 2027-2036 is from CBO, The 2016 Long-Term Budget Outlook (July 2016).