

Table T17-0339
Repeal \$10,000 Limit on Deductible State and Local Taxes
Baseline: Law after Enactment of H.R.1, The Tax Cuts and Jobs Act (TCJA)
Impact on Tax Revenue, Individual Alternative Minimum Tax (AMT), and Number of Itemizers, 2018-27¹

	Year											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-27	
Impact on Tax Revenue (billions of current dollars)²												
Repeal \$10,000 limit (unindexed) on deductible state and local income, sales, and property tax	-36.1	-63.2	-68.7	-74.5	-80.4	-86.5	-93.1	-100.4	-41.4	0.0	-644.3	
Total Number of Tax Units (millions)	176.1	177.2	178.4	179.5	180.7	181.8	183.0	184.2	185.4	186.6		
Number of Itemizers (millions)												
Baseline: Law After Enactment of TCJA	19.3	20.4	22.0	22.8	23.7	24.5	25.4	26.4	56.3	57.4		
Proposal: Repeal \$10,000 limit on deductible state and local taxes	22.7	24.0	25.6	26.7	27.7	28.7	29.7	30.9	56.3	57.4		
Alternative Minimum Tax (AMT)												
AMT Payers (millions of tax units)³												
Baseline: Law After Enactment of TCJA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	6.0	6.0		
Proposal: Repeal \$10,000 limit on deductible state and local taxes	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	6.0	6.0		
AMT Revenue (billions of current dollars)⁴												
Baseline: Law After Enactment of TCJA	5.3	5.5	5.7	5.9	6.1	6.0	6.4	6.7	58.2	60.5		
Proposal: Repeal \$10,000 limit on deductible state and local taxes	18.9	20.0	21.2	22.2	23.6	24.5	26.0	28.0	58.2	60.5		

Source: Urban-Brookings Microsimulation Model (version 0217-1).

(1) Revenue estimates are for fiscal years. Number of itemizers and AMT payers and revenue are for calendar years.

(2) Estimate includes the effect of microdynamic responses and assumes a fiscal split of 60-40 (fiscal year revenue is estimated to be 40 percent of revenue from the previous calendar year and 60 percent of revenue from the current calendar year). Under TCJA, the \$10,000 limit expires 12/31/25.

(3) AMT payers are defined as those with: direct AMT liability on Form 6251; lost credits; or reduced deductions.

(4) AMT revenue includes: direct AMT liability on Form 6251; and additional tax liability due to lost credits or reduced deductions.