

Table T20-0074
Former Vice President Biden's Tax Plan: Impact on Tax Revenue, 2021-30 by Fiscal Year and Total for FY2031-40¹
Baseline: Current Law

Proposal	Fiscal Year (\$ billions)											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-30	2031-40
Individual Income and Payroll Taxes												
Restore pre-TCJA rates above \$400,000 of income	17.4	26.3	28.2	30.1	31.7	9.6	0.0	0.0	0.0	0.0	143.4	0.0
Restore limitation on itemized deductions above \$400,000 of income	7.6	13.1	13.7	14.4	15.0	6.1	0.0	0.0	0.0	0.0	69.9	0.0
Phase out qualified business income deduction above \$400,000 of income	23.8	39.0	42.6	46.5	49.2	17.5	0.0	0.0	0.0	0.0	218.5	0.0
Tax capital gains and dividends at same rate as ordinary income above \$1 million of income and tax unrealized capital gains at death	5.3	34.2	47.4	49.4	52.0	48.9	48.2	51.0	54.0	57.2	447.6	817.6
Extend EITC to childless workers age 65 and older	0.0	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-4.2	-4.9
Tax credit for expenses incurred by family caregivers of individuals with physical and cognitive needs	-1.7	-8.8	-9.1	-9.4	-9.8	-10.5	-11.5	-12.1	-12.5	-13.0	-98.4	-157.7
Limit tax benefit of itemized deductions to 28 percent of value	8.6	14.9	15.5	16.2	16.8	33.6	46.2	48.8	51.4	54.2	306.3	718.0
Apply 12.4 percent OASDI payroll tax to earnings in excess of \$400,000	51.9	74.4	80.6	87.1	92.8	99.9	107.2	114.9	122.6	131.1	962.4	1,825.7
Automatic IRAs and small business start-up credit for offering retirement plans	-1.0	-1.5	-1.7	-1.9	-2.2	-2.7	-3.1	-3.4	-3.8	-4.3	-25.6	-71.8
Replace deductibility of worker IRA/DC pension contributions with 26% refundable tax credit	-9.4	-12.6	-12.4	-12.3	-12.0	-2.4	1.2	1.5	1.8	2.1	-54.7	59.3
Exempt forgiven student loans from taxable income	0.0	0.0	0.0	-0.1	-0.3	-0.5	-0.6	-0.7	-0.9	-0.9	-4.0	-56.0
Reinstate tax credits for residential energy efficiency	-1.1	-1.7	-2.8	-3.0	-3.1	-3.2	-3.4	-3.5	-3.7	-3.9	-29.4	-47.3
Restore full electric vehicle tax credit and target to middle-income consumers	-1.5	-1.5	-1.5	-1.7	-2.0	-2.3	-2.5	-2.7	-2.9	-3.2	-21.6	-48.8
Total for individual income and payroll taxes	99.9	175.3	200.0	214.9	227.6	193.7	181.1	193.2	205.5	218.9	1,910.2	3,034.0
Business Taxes												
Increase corporate income tax rate to 28%	49.1	101.3	124.3	134.4	143.0	144.2	144.9	148.7	152.3	158.1	1,300.3	2,010.5
Reduce GILTI deduction from 50% to 25%	26.5	45.9	47.6	49.4	51.2	16.4	17.1	17.7	18.4	19.1	309.3	241.5
Impose 15% minimum tax on global book income	8.2	14.0	14.2	14.7	15.3	15.8	16.4	17.0	23.0	27.9	166.4	421.2
End tax deduction for direct-to-consumer prescription drug advertising	0.8	1.4	1.4	1.5	1.5	1.6	1.7	1.7	1.8	1.9	15.3	23.5
Restore energy investment tax credit and make permanent	-0.9	-2.4	-3.0	-2.9	-2.8	-2.8	-2.6	-2.6	-2.6	-2.5	-25.1	-25.4
Eliminate certain tax preferences for the real estate industry	14.1	24.8	26.4	27.5	28.8	30.9	32.9	34.5	36.0	37.8	293.7	497.7
Eliminate tax preferences for fossil fuels	2.0	2.9	2.8	2.8	2.6	2.0	1.5	1.3	1.2	1.0	20.1	-3.6
Tighten the rules for classifying independent contractors	0.2	0.7	1.3	1.5	1.7	1.7	1.7	1.8	1.8	1.8	14.2	21.0
Tax credit for distressed manufacturing communities	0.0	0.0	-0.1	-0.2	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-2.5	-4.0
Tax credit for carbon dioxide investment and sequestration	-0.2	-0.4	-0.6	-0.9	-1.1	-1.0	-1.0	-0.9	-0.8	-0.7	-7.6	-7.0
Total for business taxes	99.8	188.2	214.3	227.8	239.9	208.5	212.2	218.8	230.7	244.0	2,084.1	3,175.4
Total revenue effect of plan	199.7	363.5	414.3	442.7	467.4	402.2	393.3	412.0	436.3	462.8	3,994.2	6,209.4
As a share of GDP²	0.9	1.5	1.7	1.7	1.8	1.5	1.4	1.4	1.4	1.4	1.5	1.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2) and TPC estimates.

1. Baseline is the law currently in place as of March 5, 2020 (including provisions in the The Tax Cuts and Jobs Act and the Consolidated Appropriations Act of 2020). Unless otherwise noted, provisions are assumed effective 01/01/2021. Estimates include microdynamic behavioral responses. For a description of the provisions, see TPC's "An Analysis of Former Vice President Biden's Tax Proposals" (March 2020).

2. The GDP forecast is from the Congressional Budget Office (CBO). January 2020. *Budget and Economic Outlook: 2020 to 2030*, and long-run supplemental tables.