

Table T06-0316
Freeze the One-Third Repeal of the Personal Exemption Phaseout (PEP) and Limitation on Itemized Deductions (Pease)
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2007-16¹

	Year											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-16	
Fiscal Year Revenue²												
Against Current Law Baseline	0.0	2.5	3.3	5.9	1.7	0.0	0.0	0.0	0.0	0.0	0.0	13.4
Against AMT Fix Baseline ³	0.0	2.8	3.7	6.6	1.9	0.0	0.0	0.0	0.0	0.0	0.0	15.0
Calendar Year Liability												
Against Current Law Baseline	0.0	3.3	3.3	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.4
Against AMT Fix Baseline	0.0	3.7	3.7	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Under current law, the calculated value of the personal exemption phaseout and the limitation on itemized deductions is reduced by one-third for 2006 and 2007, two-thirds for 2008 and 2009 and eliminated completely in 2010. This proposal freezes the reduction at one-third for 2008 through 2010.

(2) Fiscal-year revenue numbers assume a 75-25 split. The actual effect on receipts could differ.

(3) Baseline is current law plus: (1) extending the 2006 AMT exemption levels and indexing them for inflation after 2006; and allowing personal nonrefundable credits regardless of tentative AMT. Estimates are static and do not account for any potential microeconomic behavioral response.