

Table T07-0070
Extend Certain Individual Income Tax Provisions in 2001-6 Tax Cuts Plus Repeal AMT and Extend 2009 Estate Tax Law
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2007-17 ¹

	Year											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-17
Fiscal Year Revenue²												
Plan 1: Extend Certain Provisions in 2001-6 Tax Cuts ³	0.0	0.0	0.0	0.0	-63.9	-105.4	-103.7	-102.0	-100.3	-98.5	-96.8	-670.5
Plan 2: Plan 1 Plus Repeal AMT	-27.9	-76.5	-91.0	-105.7	-172.8	-207.1	-220.3	-234.5	-250.0	-267.8	-287.5	-1,941.1
Plan 3: Plan 2 Plus Extend 2009 Estate Tax Law ⁴	-27.9	-76.5	-91.0	-105.7	-156.7	-227.6	-242.1	-257.7	-274.5	-294.3	-316.0	-2,070.0
Calendar Year Liability												
Plan 1: Extend Certain Provisions in 2001-6 Tax Cuts	0.0	0.0	0.0	0.0	-106.5	-104.7	-103.0	-101.3	-99.6	-97.8	-96.2	-709.0
Plan 2: Plan 1 Plus Repeal AMT	-69.9	-86.5	-97.8	-117.5	-202.5	-215.0	-229.1	-243.5	-260.5	-279.6	-300.3	-2,102.0
Plan 3: Plan 2 Plus Extend 2009 Estate Tax Law	-69.9	-86.5	-97.8	-101.4	-223.0	-236.8	-252.2	-268.1	-287.1	-308.0	-330.5	-2,261.2

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

(1) Proposal is effective 01/01/07 for AMT repeal; 01/01/10 for estate tax provisions; and 01/01/11 for other individual income tax provisions. Baseline is current law. Estimates are static and do not account for any potential microeconomic behavioral response. Estimates for estate tax provisions do not include any impact on the gift tax or individual income tax. Official estimates from the Joint Committee on Taxation would likely show a somewhat different revenue impact.

(2) Fiscal-year revenue numbers assume the following splits: 0-100 for estate tax provisions; 40-60 for AMT provisions; and 60-40 for other individual income tax provisions. The actual effect on receipts could differ.

(3) Includes the following provisions: (1) maintain 10-percent bracket; (2) retain 25-percent bracket (don't revert to 28%); (3) maintain maximum child tax credit (CTC) at \$1,000 per child and retain partial refundability; (4) continue current parameters for child and dependent care credit (35% maximum credit, \$3,000 maximum qualified expenses per child, indexed from 2005, and 20% minimum credit); (5) maintain current marriage penalty relief (married filing jointly standard deduction and width of 15% bracket both twice levels for single filers; extended plateau for earned income tax credit [EITC] on joint returns); (6) allow both EITC and CTC as credits against AMT; and (7) use AGI in place of modified AGI for EITC phase-out.

(4) Provisions include: \$3.5 million effective exemption; statutory rate of 45 percent; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax.