

**T07-0101**  
**Options to Make Permanent Components of the 2001-2006 Tax Cuts**  
**Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2007-17<sup>1</sup>**

	Year											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-17
<b>Fiscal Year Revenue<sup>2</sup></b>												
<b>Current Law Baseline</b>												
Extend 10 percent bracket, child credit, and marriage penalty relief <sup>3</sup>	0.0	0.0	0.0	0.0	-74.8	-98.8	-97.4	-96.1	-94.6	-93.0	-91.4	-646.2
Above plus extend 25 & 28 percent brackets	0.0	0.0	0.0	0.0	-89.2	-118.2	-117.2	-116.3	-115.3	-114.3	-113.4	-783.8
Above plus extend 33 & 35 percent brackets, rates on capital income, PEP/Pease repeal <sup>4</sup>	0.0	0.0	0.0	0.0	-155.8	-210.0	-213.1	-216.6	-220.3	-224.2	-228.6	-1,468.6
<b>Current Law Baseline with Extension of 2006 AMT Relief</b>												
Extend 10 percent bracket, child credit, and marriage penalty relief	0.0	0.0	0.0	0.0	-97.4	-132.6	-136.7	-140.7	-144.8	-148.9	-153.1	-954.1
Above plus extend 25 & 28 percent brackets	0.0	0.0	0.0	0.0	-128.0	-175.3	-182.0	-188.8	-195.7	-202.8	-210.1	-1,282.9
Above plus extend 33 & 35 percent brackets, rates on capital income, PEP/Pease repeal	0.0	0.0	0.0	0.0	-195.9	-268.9	-279.7	-290.7	-302.3	-314.3	-326.9	-1,978.8
<b>Calendar Year Liability</b>												
<b>Current Law Baseline</b>												
Extend 10 percent bracket, child credit, and marriage penalty relief	0.0	0.0	0.0	0.0	-99.8	-98.5	-97.1	-95.7	-94.2	-92.6	-91.1	-668.9
Above plus extend 25 & 28 percent brackets	0.0	0.0	0.0	0.0	-119.0	-118.0	-116.9	-116.0	-115.1	-114.0	-113.2	-812.1
Above plus extend 33 & 35 percent brackets, rates on capital income, PEP/Pease repeal	0.0	0.0	0.0	0.0	-207.7	-210.8	-213.9	-217.5	-221.3	-225.1	-229.8	-1,526.1
<b>Current Law Baseline with Extension of 2006 AMT Relief</b>												
Extend 10 percent bracket, child credit, and marriage penalty relief	0.0	0.0	0.0	0.0	-129.9	-133.5	-137.8	-141.6	-145.8	-150.0	-154.1	-992.6
Above plus extend 25 & 28 percent brackets	0.0	0.0	0.0	0.0	-170.7	-176.9	-183.7	-190.4	-197.5	-204.6	-212.0	-1,335.9
Above plus extend 33 & 35 percent brackets, rates on capital income, PEP/Pease repeal	0.0	0.0	0.0	0.0	-261.3	-271.5	-282.4	-293.5	-305.3	-317.3	-330.1	-2,061.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

(1) Proposals are effective 01/01/07. Extension of 2006 AMT relief indexes the AMT exemption at 2006 levels and allows personal credits against the AMT. Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue.

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

(3) Marriage penalty relief includes the adjustments to the 15 percent bracket amount, the increased standard deduction for joint filers, the addition to the EITC phase-out threshold for joint filers, the change from modified AGI to AGI for the secondary calculation of the EITC, and allowance of the EITC against the AMT. Extension of the child credit includes allowing it against the AMT.

(4) Rates on capital income include the lower rates on capital gains and eligibility of qualified dividends for the capital gains rates.