

Table T07-0126
Options to Extend the 2001-2006 Tax Cuts
Static Impact on Individual Income and Estate Tax Liability and Revenue (\$ billions), 2008-17¹

	Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-17
Fiscal Year Revenue²											
Extend individual income tax cuts and extend estate tax repeal	0.0	0.0	0.0	-125.4	-248.2	-253.9	-260.2	-266.8	-274.4	-282.4	-1,711.5
Extend individual income tax cuts for tax units with income less than \$200,000 and extend estate tax repeal	0.0	0.0	0.0	-72.6	-157.8	-159.3	-161.2	-162.9	-165.4	-167.8	-1,047.0
Extend individual income tax cuts for tax units with income less than \$200,000 and freeze 2009 estate tax law	0.0	0.0	0.0	-56.5	-140.9	-141.0	-141.4	-141.7	-142.3	-142.8	-906.6
Calendar Year Liability											
Extend individual income tax cuts and extend estate tax repeal	0.0	0.0	0.0	-246.4	-252.1	-258.1	-264.6	-272.2	-279.7	-288.2	-1,861.1
Extend individual income tax cuts for tax units with income less than \$200,000 and extend estate tax repeal	0.0	0.0	0.0	-158.5	-160.0	-161.7	-163.7	-166.3	-168.5	-171.2	-1,149.8
Extend individual income tax cuts for tax units with income less than \$200,000 and freeze 2009 estate tax law	0.0	0.0	16.1	-141.6	-141.7	-141.9	-142.4	-143.2	-143.6	-144.2	-982.4

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

(1) Baseline is current law. Tax cuts include the individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, PPA, and TRHCA. The second option repeals the estate tax but limits the benefits of extending the expiring provisions of the 2001-2006 income tax cuts to tax units with adjusted gross income under \$200,000 in 2007 dollars. Under the proposal, taxes would increase sharply upon crossing the threshold. 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 0-100 split for estate tax provisions and a 60-40 split for income tax provisions. The actual effect on receipts could differ.