

T07-0339

Enacted AMT Patches Against Unpatched Current-Law Baseline

Static Impact on Individual Income and Estate Tax Liability and Revenue (\$ billions), 2001-7¹

	2001	2002	2003	2004	2005	2006	2007	2001-06
Fiscal Year Revenue²	-0.8	-2.3	-7.8	-16.6	-20.5	-27.1	-19.7	-94.7
Calendar Year Liability	-1.9	-2.8	-15.3	-18.7	-23.2	-32.9	0.0	-94.7

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

(1) Baseline is current law with AMT exemption of \$33,750 (\$45,000 for joint filers) and personal nonrefundable credits denied under the AMT. Enacted patches allow personal nonrefundable credits against the AMT and increase the AMT exemption to \$35,750/\$49,000 for 2001-2002, \$40,250/\$58,000 for 2003-2005, and \$42,500/\$62,550 for 2006. 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 40-60 split. The actual effect on receipts could differ.