Table T08-0130
Senator Barack Obama's Tax Proposals
Static Impact on Tax Liability, 2009-18[1]

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total 2009-18
(1) Make permanent the EGTRRA child credit expansions, marriage bonus/penalty adjustments, 10/15/25/28% rates, and 0/15% rates on capital gains and dividends for select taxpayers; increase Pease and PEP thresholds.	-0.1	0.0	-109.5	-146.9	-147.3	-148.0	-148.3	-148.5	-148.8	-149.3	-1,146.9
(2) Restore PEP/Pease with the increased thresholds in 2009-10, restore the 36/39.6% rates, and create a third capital gains and dividends rate of 25% for taxpayers in the 36 and 39.6% brackets	76.0	112.2	46.2	26.1	27.4	27.8	28.5	29.3	30.2	31.2	434.9
(3) Extend and index the 2007 AMT patch	-27.1	-72.8	-84.9	-97.6	-112.9	-128.6	-145.9	-165.1	-185.8	-208.3	-1,229.1
(4) Freeze 2009 estate tax law (exemption not indexed)	0.0	0.0	19.4	-20.3	-21.9	-24.0	-26.0	-27.8	-30.0	-31.7	-162.4
(5) Create "Making Work Pay Credit"	-48.5	-66.0	-67.9	-69.6	-71.4	-73.3	-75.2	-77.1	-79.0	-81.0	-709.0
(6) Create "Universal Mortgage Credit"	-2.5	-12.4	-12.6	-13.0	-13.3	-13.6	-13.9	-14.3	-14.6	-14.9	-125.1
(7) Mandate auto401(k)s and autoIRAs, expand saver's credit	-14.0	-18.9	-19.4	-20.0	-20.6	-21.2	-21.7	-22.3	-22.9	-23.5	-204.6
(8) Create "American Opportunity Tax Credit"	-2.6	-13.0	-13.6	-14.2	-14.7	-15.3	-15.7	-16.0	-16.5	-17.2	-138.8
(9) Expand earned income tax credit	-0.8	-4.0	-4.4	-4.8	-5.3	-5.3	-5.3	-5.4	-5.5	-5.5	-46.4
(10) Expand child and dependent care tax credit	-0.5	-2.5	-2.5	-2.6	-2.5	-2.5	-2.5	-2.4	-2.4	-2.4	-22.8
(11) Exempt seniors earning less than $50,000 from income taxation	-4.1	-5.3	-5.2	-5.1	-5.1	-5.2	-5.2	-5.4	-5.7	-6.0	-52.3
(12) Make permanent the R&D and renewable energy production credits	-7.4	-9.8	-11.6	-13.2	-14.7	-16.2	-17.8	-19.6	-21.5	-23.5	-155.1
(13) Revenue-raisers Unverifiable campaign-provided revenue estimate	57.0	79.1	83.7	87.9	92.0	96.1	100.4	104.7	109.2	114.0	924.1
Total of all provisions	25.5	-13.4	-182.3	-293.3	-310.4	-329.1	-348.8	-370.1	-393.3	-418.1	-2,633.4
Addenda: Federal tax revenue as a share of GDP under the proposal	19.1	18.6	18.3	18.3	18.2	18.2	18.3	18.3	18.4	18.5	18.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5), various JCT scores, the fiscal year 2009 Treasury blue book, and CBO's most recent budget projections.

(1) All provisions take effect 01/01/09. Table excludes the following policies for which Senator Obama has stated support because of data limitations and/or insufficient details about the policies that would be enacted: permanent extension of the adoption credit; creation of new incentives for first-time farmers; elimination of capital gains taxes affecting start-up businesses, venture capitalists, and entrepreneurs; creation of new incentives for small business investment; and creation of an automated filing system for most taxpayers. Estimates incorporate a 0.3 elasticity of taxable income with respect to the marginal tax rate on ordinary income, a long-run elasticity of capital gains realizations with respect to the maximum tax rate on capital gains of slightly less than 0.3, and an additional short-term shifting of realizations around the time of the tax rate change. Corporate income and estate tax estimates are static (they do not include a behavioral response) and estate tax estimates do not include any effects on the gift tax or income tax. Official estimates from the Joint Committee on Taxation would likely differ.

(2) In official budget estimates the expansion of refundable credits would increase outlays rather than reduce revenues. Since we do not score outlays, we include the effect as a reduction in revenue in these tables.