

T08-0138
Options to Expand Bottom Tax Bracket
Static Impact on Individual Income Tax Liability and Revenue (\$ billions), 2009-18¹

	Year											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
Fiscal Year Revenue²												
Option 1: Double Bottom Bracket Width ³	-18.5	-24.4	-52.9	-62.6	-62.2	-61.6	-60.5	-59.2	-57.9	-56.5	-220.6	-516.2
Option 2: Double Bottom Bracket Through 2010, Increase by 15% Thereafter ⁴	-18.5	-24.4	-23.6	-23.4	-23.3	-23.1	-22.8	-22.6	-22.4	-22.1	-113.2	-226.1
Calendar Year Liability												
Option 1: Double Bottom Bracket Width	-24.7	-24.3	-62.4	-62.7	-62.0	-61.5	-60.2	-58.9	-57.6	-56.1	-236.1	-530.2
Option 2: Double Bottom Bracket Through 2010, Increase by 15% Thereafter	-24.7	-24.3	-23.4	-23.4	-23.2	-23.1	-22.7	-22.5	-22.3	-22.1	-119.0	-231.6
Addendum												
Number of AMT Taxpayers (millions)												
Current Law	30.0	33.4	20.0	22.7	25.6	28.5	32.4	36.3	39.7	43.3		
Option 1	35.0	38.1	37.7	41.0	44.1	47.3	50.5	53.9	57.0	60.4		
Option 2	35.0	38.1	25.7	29.1	32.3	35.3	38.6	41.8	44.9	48.3		

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

(1) Proposals are effective 01/01/09. Baseline is current law. 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) The width of the 10-percent bracket would be doubled through 12/31/10. Under current law, the 10-percent bracket is eliminated after 2010. Effective 01/01/11, the width of the 15-percent bracket would be doubled (from, for example in 2011, a projected \$58,700 to \$117,400 for married couples, \$35,150 to \$70,300 for single individuals, and from \$47,100 to \$94,200 for heads of household).

(4) The width of the 10-percent bracket would be doubled through 12/31/10. Under current law, the 10-percent bracket is eliminated after 2010. Effective 01/01/11, the width of the 15-percent bracket would be increased by 15 percent (from, for example in 2011, a projected \$58,700 to \$67,500 for married couples, \$35,150 to \$40,450 for single individuals, and from \$47,100 to \$54,150 for heads of household).