

Table T08-0136
Change in Tax Liability Under the Presidential Candidate Tax Plans Fully Phased In
for Representative Married Families Filing Joint Returns,
Assuming Current-Law Nonitemizers Do Not Have Mortgages, 2009

AGI	Individual Income Tax (\$)										Corporate
	One-Earner Families					Two-Earner Families					Tax (\$)
	# of children	0	1	2	3	6	0	1	2	3	6
# of tax units	10.3 mil	3.7 mil	4.3 mil	1.9 mil	0.05 mil	12.5 mil	6.6 mil	7.0 mil	2.5 mil	0.04 mil	
McCain Plan											
\$10,000	0	0	0	0	0	0	0	0	0	0	(13)
\$15,000	0	0	0	0	0	0	0	0	0	0	(17)
\$25,000	0	(240)	0	0	0	0	(240)	0	0	0	(23)
\$35,000	0	(240)	(481)	(555)	0	0	(240)	(481)	(555)	0	(23)
\$50,000	0	(361)	(721)	(913)	(762)	0	(361)	(721)	(913)	(762)	(36)
\$75,000	0	(361)	(721)	(1,082)	(3,668)	0	(361)	(721)	(1,082)	(3,668)	(73)
\$100,000	(516)	(2,035)	(2,759)	(3,660)	(6,361)	(516)	(2,035)	(2,759)	(3,660)	(6,361)	(105)
\$125,000	(1,220)	(2,721)	(4,222)	(5,723)	(6,885)	(1,220)	(2,721)	(4,222)	(5,723)	(6,885)	(205)
\$150,000	(1,919)	(3,420)	(4,921)	(6,422)	(6,474)	(1,919)	(3,420)	(4,921)	(6,422)	(6,474)	(321)
\$200,000	(4,676)	(6,357)	(6,474)	(6,474)	(6,474)	(4,676)	(6,357)	(6,474)	(6,474)	(6,474)	(666)
\$500,000	0	0	0	0	0	0	0	0	0	0	(3,832)
\$1,000,000	0	0	0	0	0	0	0	0	0	0	(11,003)
\$1,500,000	0	(561)	(285)	0	0	0	(561)	(285)	0	0	(20,141)
\$2,000,000	0	(561)	(1,122)	(1,682)	(2,848)	0	(561)	(1,122)	(1,682)	(2,848)	(29,695)
Obama Plan											
\$10,000	(569)	(502)	(502)	(991)	(991)	(673)	(606)	(606)	(1,095)	(1,095)	12
\$15,000	(914)	(502)	(502)	(1,124)	(1,124)	(1,123)	(712)	(712)	(1,334)	(1,334)	16
\$25,000	(541)	(832)	(936)	(1,558)	(1,558)	(892)	(1,182)	(1,287)	(1,909)	(1,909)	21
\$35,000	(502)	(831)	(936)	(1,558)	(1,558)	(996)	(1,325)	(1,429)	(2,051)	(2,051)	21
\$50,000	(502)	(502)	(502)	(502)	(764)	(1,004)	(1,004)	(1,004)	(1,004)	(1,266)	33
\$75,000	(547)	(547)	(547)	(547)	(2,077)	(1,049)	(1,049)	(1,049)	(1,049)	(2,579)	68
\$100,000	(1,018)	(1,918)	(2,540)	(3,080)	(4,700)	(1,520)	(2,420)	(3,043)	(3,583)	(5,203)	97
\$125,000	(1,722)	(2,622)	(3,522)	(4,422)	(6,976)	(2,224)	(3,124)	(4,024)	(4,924)	(7,478)	190
\$150,000	(2,421)	(3,321)	(4,221)	(5,121)	(6,976)	(2,924)	(3,824)	(4,724)	(5,624)	(7,478)	297
\$200,000	(4,774)	(5,782)	(6,474)	(6,474)	(6,474)	(4,774)	(5,782)	(6,474)	(6,474)	(6,474)	617
\$500,000	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,727	6,727	3,553
\$1,000,000	38,200	38,200	38,200	38,200	38,200	38,200	38,200	38,200	38,200	38,200	10,200
\$1,500,000	74,693	75,533	76,373	76,658	76,658	74,693	75,533	76,373	76,658	76,658	18,671
\$2,000,000	107,024	107,864	108,704	109,544	112,064	107,024	107,864	108,704	109,544	112,064	27,528

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

Notes: Due to rounding, the AGI for tax calculations may not precisely equal the AGI shown. Families on the AMT under the proposal are indicated by a dark background. Number of tax units excludes dependent returns. Kids includes only children in the home for whom an exemption may be claimed. For a detailed discussion of the proposals see the Tax Policy Center's report *A Preliminary Analysis of the 2008 Presidential Candidates' Tax Plans* available on the TPC website.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim the dependent care credit, education tax credits, or saver's credit.
- (3) Itemized deductions are assumed to be 20 percent of adjusted gross income (AGI), of which 40% is for state and local taxes, 40% for mortgage interest, and 20% for charitable contributions. Tax units are assumed to have itemizable expenses beginning at \$50,000 for unmarried households and \$75,000 for married households.
- (4) Nonelderly households are assumed to have income in the form of wages, interest, qualifying dividends, and long-term capital gains. The fraction of non-wage income is determined based on tabulations from the Tax Policy Center Microsimulation Model. The residual is assigned as wages. For two-earner families the earner with the larger share of wages has 77 percent of wages, the average for the group in the TPC model.