

Table T08-0211
Change in Tax Liability Under the Presidential Candidate Tax Plans: Advisors' Versions
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	(14)
\$15,000	0	0	0	0	0	0	0	0	0	0	(19)
\$25,000	0	(240)	0	0	0	0	(240)	0	0	0	(25)
\$35,000	0	(240)	(481)	(555)	0	0	(240)	(481)	(555)	0	(25)
\$50,000	0	(361)	(721)	(913)	(762)	0	(361)	(721)	(913)	(762)	(39)
\$75,000	0	(361)	(721)	(1,082)	(3,668)	0	(361)	(721)	(1,082)	(3,668)	(81)
\$100,000	(516)	(2,035)	(2,759)	(3,660)	(6,361)	(516)	(2,035)	(2,759)	(3,660)	(6,361)	(115)
\$125,000	(1,220)	(2,721)	(4,222)	(5,723)	(6,885)	(1,220)	(2,721)	(4,222)	(5,723)	(6,885)	(224)
\$150,000	(1,919)	(3,420)	(4,921)	(6,422)	(6,474)	(1,919)	(3,420)	(4,921)	(6,422)	(6,474)	(352)
\$200,000	(4,676)	(6,357)	(6,474)	(6,474)	(6,474)	(4,676)	(6,357)	(6,474)	(6,474)	(6,474)	(731)
\$500,000	0	0	0	0	0	0	0	0	0	0	(4,205)
\$1,000,000	0	0	0	0	0	0	0	0	0	0	(12,074)
\$1,500,000	0	(561)	(285)	0	0	0	(561)	(285)	0	0	(22,100)
\$2,000,000	0	(561)	(1,122)	(1,682)	(2,848)	0	(561)	(1,122)	(1,682)	(2,848)	(32,584)
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)	(1,004)	33
\$75,000	(547)	(547)	(547)	(547)	(2,077)	(1,049)	(1,049)	(1,049)	(1,049)	(1,049)	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	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,553
\$1,000,000	28,301	28,301	28,301	28,301	28,301	28,301	28,301	28,301	28,301	28,301	10,200
\$1,500,000	56,413	57,253	58,093	58,379	58,379	56,413	57,253	58,093	58,379	58,379	18,671
\$2,000,000	79,725	80,565	81,405	82,245	84,765	79,725	80,565	81,405	82,245	84,765	27,528

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

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. Assumes all provisions are fully phased in. Obama plan does not include the payroll surtax. For a detailed discussion of the proposals see the Tax Policy Center's report *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans: Revised Aug. 15, 2008* 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.