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Preliminary Results

<http://www.taxpolicycenter.org>

T09-0084

**Repeal the 85 Percent Inclusion Rate for Social Security Benefits
Impact on Individual Income Tax Liability and Revenue (\$ billions), 2009-19¹**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2009-19</u>
<u>Reduce the 85% Inclusion rate for Social Security Benefits to 50%²</u>												
Fiscal Year Liability³	-3.3	-17.1	-14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-35.4
Calendar Year Liability	-16.7	-18.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-35.4

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

(1) 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) Proposal is effective 01/01/09 and sunsets 12/31/10. Baseline is current law. Proposal repeals the 85 percent inclusion rate for Social Security benefits for those with modified AGI greater than \$34,000 (\$44,000 for married couples filing jointly).

(3) Fiscal-year revenue numbers assume a 20-80 split. The actual effect on receipts could differ.