

T09-0111
Extension of Stimulus Provisions
Impact on Individual Income Tax Revenue (\$ billions), 2010-19 ¹

	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Option 1: Extend AMT Patch ²</u>									
Fiscal Year Liability ³	-32.9	-64.7	-41.2	-49.1	-57.5	-67.0	-78.3	-91.0	-105.4
Calendar Year Liability	-82.3	-38.2	-45.8	-54.0	-62.6	-73.5	-85.6	-99.2	-114.7
<u>Option 2: Extend Making Work Pay and Economic Recovery Payments ⁴</u>									
Fiscal Year Liability ⁵	-48.2	-64.6	-64.6	-64.6	-64.5	-64.3	-64.0	-63.7	-63.2
Calendar Year Liability	-64.3	-64.6	-64.6	-64.6	-64.5	-64.3	-64.0	-63.6	-63.0
<u>Options 3: Extend Earned Income Tax Credit Expansion ⁶</u>									
Fiscal Year Liability ⁵	-2.4	-5.8	-6.9	-7.1	-7.4	-7.6	-7.8	-7.9	-8.1
Calendar Year Liability	-3.2	-6.7	-6.9	-7.2	-7.4	-7.6	-7.8	-8.0	-8.2
<u>Option 4: Extend reduction of the Child Tax Credit refundability threshold ⁷</u>									
Fiscal Year Liability ⁵	-5.2	-19.6	-23.4	-22.8	-22.4	-21.9	-21.6	-21.2	-20.7
Calendar Year Liability	-6.9	-23.9	-23.2	-22.7	-22.2	-21.8	-21.5	-21.0	-20.6
<u>Option 5: Extend all above provisions ⁸</u>									
Fiscal Year Liability ⁵	-117.2	-144.9	-146.9	-155.2	-163.7	-173.9	-185.6	-198.5	-213.1
Calendar Year Liability	-156.2	-141.2	-148.8	-157.3	-165.8	-176.6	-188.6	-201.8	-216.9

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 have a different effect on revenue.
- (2) Baseline is current law. Proposal extends the AMT patch through 2019. The AMT exemptions for 2010 are increased to an indexed \$47,750 (\$72,550 for joint filers) and credits are made allowable against AMT liability including the Earned Income Tax Credit and the Child Tax Credit for years 2011 and later.
- (3) Fiscal-year revenue numbers assume a 40-60 split. The actual effect on receipts could differ.
- (4) Baseline is current law. Proposal extends the Making Work Pay Credit and Economic Recovery Payments. The Making Work Pay Credit equal to 6.2% of earned income with a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Economic Recovery Payments are \$250 to tax units receiving social security, SSI or veterans benefits and is a reduction to any allowable Making Work Pay credit.
- (5) Fiscal-year revenue numbers assume a 75-25 split. The actual effect on receipts could differ.
- (6) Baseline is current law. Proposal is to extend the expansion of the Earned Income Tax Credit (EITC) through 2019. The percentage for families with three or more children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to an indexed 2010 value of \$5,120 above the phase-out threshold for single and married tax units.
- (7) Baseline is current law. Proposal extends the reduction of the Child Tax Credit (CTC) refundability earnings threshold to an unindexed \$3,000 at a rate of 15% as a per-child amount to \$1,000 for years 2011 and later.
- (8) Baseline is current law. Proposal is options 1 through 4 together. Individual components do not add to equal option 5 due to interaction effects.

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<u>2019</u>	<u>2010-19</u>
-122.2	-709.2
-133.4	-789.3
-62.4	-624.1
-62.2	-639.6
-8.3	-69.2
-8.3	-71.2
-19.8	-198.5
-19.6	-203.4
-230.1	-1,729.0
-234.5	-1,787.6

show a somewhat

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ts are payments of

qualifying children
nd head of household

well as increase the