

T09-0339
Medical Expense Deduction Floor Raised to 10 Percent of AGI
Impact on Individual Income Tax Revenue (\$ billions), 2010-19¹

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-19
Baseline: Current Law²	0.0	0.7	2.3	2.4	2.6	2.8	3.0	3.1	3.2	3.3	23.3
Baseline: Administration's Baseline³	0.0	0.6	2.1	2.3	2.4	2.7	2.9	3.1	3.3	3.5	22.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

(1) Estimates include a microdynamic behavioral response with an elasticity of taxable income with respect to (1 - marginal rate) of 0.25. All proposals are effective 01/01/11. Estimates assume a 30-70 fiscal split.

(2) Baseline is current law. The proposal increases the medical expenses floor to 10% of AGI.

(3) Baseline is Administration's baseline which extends all of the individual income tax provisions in EGTRRA and JGTRRA that are set to expire on 12/31/10; maintains the estate tax at its 2009 parameters; extends the 2009 AMT patch including the allowance of personal nonrefundable credits against the AMT, and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation. The proposal increases the medical expenses floor to 10% of AGI.