

9-Oct-09

PRELIMINARY RESULTS

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**Table T09-0408**  
**Repeal 10 Percent Bracket**  
**Impact on Individual Income Tax Revenue (\$ billions), 2010-19<sup>1</sup>**

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|   | <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>2010-19</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| <b>Baseline: Administration's Baseline<sup>2</sup></b>      | 0.0         | 41.6        | 58.3        | 60.3        | 61.8        | 63.2        | 65.0        | 66.9        | 68.7        | 70.5        | 556.3          |
| <b>Baseline: Administration's FY2010 Budget<sup>3</sup></b> | 0.0         | 42.1        | 59.0        | 61.2        | 62.6        | 64.1        | 66.0        | 67.8        | 69.7        | 71.5        | 563.9          |

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Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-3).

(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 75-25 fiscal split.

(2) Baseline is Administration's baseline which extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. Proposal is to repeal the 10 percent tax bracket.

(3) Baseline is Administration's fiscal year 2010 Budget. Proposal is to repeal the 10 percent tax bracket.