

**Table T10-0117**  
**Bipartisan Tax Fairness and Simplification Act of 2010 ("Wyden-Gregg") vs. Current Policy Baseline**  
**Static Impact on Individual, Corporate, and Payroll Tax Liability (\$ billions), 2011-20 <sup>1</sup>**

	Fiscal Years												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20	
<b>Individual Income Tax Provisions <sup>2</sup></b>													
<b>Three rates of 15, 25, and 35 percent</b>	37.6	53.5	56.3	58.2	60.2	62.4	64.6	66.7	68.6	70.7	265.8	598.7	
<b>Increase in basic standard deduction to \$30,000/\$22,500/\$15,000</b>	-102.0	-145.2	-151.9	-155.3	-158.6	-163.3	-168.1	-173.1	-177.1	-181.8	-713.0	-1,576.5	
<b>Elimination of miscellaneous itemized deductions</b>	2.1	10.8	11.5	12.5	13.5	14.4	15.2	16.1	17.0	17.9	50.4	130.9	
<b>35-percent exclusion for capital gains and qualified dividends <sup>3</sup></b>	13.2	36.0	41.4	43.8	46.2	48.5	50.9	53.4	55.8	58.3	180.5	447.4	
<b>Nonrefundable personal credit for interest on state and local bonds <sup>4</sup></b>	0.2	0.7	1.4	2.1	3.0	3.9	4.9	6.0	7.2	8.5	7.4	37.9	
<b>Repeal of alternative minimum tax</b>	-10.6	-26.2	-26.5	-28.3	-30.0	-31.6	-33.3	-35.1	-37.0	-39.3	-121.7	-297.9	
<b>Change CPI measure used for indexation <sup>5</sup></b>	0.0	0.0	1.5	5.1	7.3	10.5	13.5	16.4	20.9	25.3	13.8	100.4	
<b>Repeal exclusion of Section 125 cafeteria plan benefits</b>	43.4	46.6	50.1	52.6	55.3	58.0	60.8	63.7	66.8	70.0	248.0	567.2	
<b>Other individual income tax provisions</b>	17.8	21.0	20.9	21.4	22.0	24.0	24.2	24.4	24.7	24.8	103.1	225.1	
<b>Total for individual income tax provisions</b>	<b>1.8</b>	<b>-2.8</b>	<b>4.6</b>	<b>12.1</b>	<b>18.6</b>	<b>26.7</b>	<b>32.7</b>	<b>38.3</b>	<b>47.0</b>	<b>54.2</b>	<b>34.2</b>	<b>233.2</b>	
<b>Corporate Income and Other Business Tax Provisions</b>													
<b>Corporate flat tax at 24 percent rate</b>	-53.0	-105.1	-105.1	-101.7	-104.8	-103.8	-103.5	-104.2	-102.9	-106.2	-469.6	-990.3	
<b>Other corporate and business tax provisions</b>	17.7	49.0	76.8	90.2	95.0	93.6	90.4	88.4	85.5	81.5	328.8	768.2	
<b>Total for corporate and business tax provisions</b>	<b>-35.2</b>	<b>-56.1</b>	<b>-28.3</b>	<b>-11.4</b>	<b>-9.7</b>	<b>-10.2</b>	<b>-13.2</b>	<b>-15.8</b>	<b>-17.4</b>	<b>-24.7</b>	<b>-140.8</b>	<b>-222.0</b>	
<b>Internet Gambling Provisions</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>3.8</b>	<b>10.5</b>	
<b>Total for all provisions</b>	<b>-33.0</b>	<b>-58.3</b>	<b>-22.9</b>	<b>1.5</b>	<b>9.9</b>	<b>17.6</b>	<b>20.8</b>	<b>23.9</b>	<b>31.1</b>	<b>31.0</b>	<b>-102.8</b>	<b>21.7</b>	

Sources: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4); Joint Committee on Taxation, Estimates of Federal Tax Expenditures for Fiscal Years 2009-2013 (JCS-1-10), January 11, 2010; JCT Letter to Rep. McDermott, October 23, 2009; CBO Budget Options Volume 2, August 2009; and TPC calculations.

(1) Proposal is effective 01/01/11.

(2) Includes impact of provisions on payroll tax liability.

(3) Taxpayers could exclude from gross income 35 percent of all long-term capital gains plus 35 percent of up to \$500,000 of gains on assets held between 6 months and 1 year. Preferential rates on capital gains and dividends would be repealed.

(4) Interest on state and local bonds would be included in gross income; taxpayers could claim a nonrefundable personal credit equal to 25 percent of the amount of interest earned.

(5) The chained CPI-U would be used to index the tax system, effective 01/01/13.