

**Table T10-0120**  
**Bipartisan Tax Fairness and Simplification Act of 2010 ("Wyden-Gregg") vs. Current Law 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>	-81.7	-118.0	-125.8	-130.3	-133.7	-136.6	-138.0	-139.4	-139.8	-140.2	-589.5	-1,283.5	
<b>Increase in basic standard deduction to \$30,000/\$22,500/\$15,000</b>	-56.0	-77.9	-79.5	-79.0	-77.7	-76.6	-75.3	-73.8	-71.3	-69.0	-370.1	-736.2	
<b>Permanent extension of child tax credit expansion</b>	-7.6	-38.3	-40.3	-40.3	-40.3	-40.3	-40.3	-40.3	-40.1	-39.7	-166.8	-367.5	
<b>Repeal of limitations on itemized deductions and personal exemptions</b>	-2.7	-13.8	-15.6	-17.0	-17.9	-18.6	-19.5	-20.4	-21.2	-22.2	-67.0	-168.8	
<b>Elimination of miscellaneous itemized deductions</b>	2.8	14.4	15.6	16.8	18.0	19.2	20.4	21.5	22.7	23.9	67.7	175.4	
<b>35-percent exclusion for capital gains and qualified dividends <sup>3</sup></b>	-6.9	-17.0	-16.9	-17.5	-17.9	-18.4	-19.0	-19.6	-20.5	-21.6	-76.1	-175.1	
<b>Nonrefundable personal credit for interest on state and local bonds <sup>4</sup></b>	0.2	0.7	1.4	2.2	3.0	3.9	4.9	6.1	7.3	8.5	7.4	38.1	
<b>Repeal of alternative minimum tax</b>	-59.1	-154.3	-169.7	-184.8	-201.9	-221.3	-243.7	-268.7	-295.5	-324.4	-769.8	-2,123.4	
<b>Change CPI measure used for indexation <sup>5</sup></b>	0.2	0.2	1.7	5.3	7.5	10.7	13.7	16.7	21.2	25.6	15.0	103.0	
<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>	16.6	14.8	14.3	14.6	15.0	17.0	16.8	16.7	16.5	16.2	75.4	158.5	
<b>Total for individual income tax provisions</b>	<b>-150.8</b>	<b>-342.4</b>	<b>-364.7</b>	<b>-377.3</b>	<b>-390.5</b>	<b>-403.1</b>	<b>-419.2</b>	<b>-437.5</b>	<b>-453.9</b>	<b>-472.9</b>	<b>-1,625.7</b>	<b>-3,812.3</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>	14.5	43.4	72.4	86.7	92.2	91.3	88.4	86.5	83.7	79.7	309.3	738.9	
<b>Total for corporate and business tax provisions</b>	<b>-38.4</b>	<b>-61.7</b>	<b>-32.7</b>	<b>-14.9</b>	<b>-12.5</b>	<b>-12.5</b>	<b>-15.2</b>	<b>-17.7</b>	<b>-19.2</b>	<b>-26.5</b>	<b>-160.3</b>	<b>-251.3</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>-188.7</b>	<b>-403.5</b>	<b>-396.5</b>	<b>-391.3</b>	<b>-402.0</b>	<b>-414.5</b>	<b>-433.1</b>	<b>-453.8</b>	<b>-471.7</b>	<b>-497.9</b>	<b>-1,782.1</b>	<b>-4,053.2</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.