

Table T11-0147
Extend AMT Patch and Index Parameters for Inflation
Impact on Tax Liability, Revenue (\$ billions) and AMT Taxpayers (millions), 2012-22¹

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total 2012-2022
Current Law Baseline												
Calendar Year Liability	-85.4	-47.1	-55.0	-65.5	-76.6	-90.3	-105.9	-123.3	-142.6	-165.0	-187.8	-1,144.6
Fiscal Year Revenue	-34.1	-70.1	-50.3	-59.2	-69.9	-82.1	-96.6	-112.9	-131.0	-151.6	-174.1	-1,032.0
FY2012 Budget Baseline-No AMT Fix²												
Calendar Year Liability	-85.3	-96.9	-112.6	-130.7	-150.1	-172.1	-197.4	-225.1	-254.8	-287.8	-321.1	-2,033.8
Fiscal Year Revenue	-34.1	-89.9	-103.2	-119.8	-138.4	-158.9	-182.2	-208.5	-237.0	-268.0	-301.1	-1,841.1
Baseline Number of AMT Taxpayers												
Current Law	31.3	20.9	23.6	26.8	30.0	34.0	38.5	43.0	47.3	51.1	54.7	
FY2012 Budget Baseline-No AMT Fix	30.9	35.3	38.4	41.7	45.0	48.4	51.9	55.3	58.9	62.6	67.0	
Number of AMT Taxpayers with AMT Fix												
Current Law	4.6	1.2	1.4	1.5	1.6	1.7	1.7	1.8	1.8	1.9	1.9	
FY2012 Budget Baseline	3.9	3.7	4.1	4.5	4.8	5.1	5.2	5.3	5.5	5.6	5.7	
Addenda:												
Repeal AMT vs. Current Law Baseline												
Calendar Year Liability	-134.4	-63.0	-72.2	-84.2	-96.5	-111.1	-127.6	-145.7	-165.9	-189.4	-213.1	-1,403.0
Fiscal Year Revenue	-53.8	-105.9	-66.7	-77.0	-89.1	-102.3	-117.7	-134.8	-153.8	-175.3	-198.8	-1,275.1
Repeal AMT vs. FY2012 Budget Baseline-No AMT Fix												
Calendar Year Liability	-117.7	-126.9	-145.5	-166.5	-188.8	-213.2	-240.5	-270.1	-301.8	-337.2	-372.6	-2,480.7
Fiscal Year Revenue	-47.1	-121.4	-134.3	-153.9	-175.4	-198.5	-224.1	-252.3	-282.8	-316.0	-351.3	-2,257.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-1).

Note: Estimates include a microdynamic behavioral response. Estimates assume an elasticity of taxable income with respect to (1 - marginal rate) of 0.25. Fiscal year estimates assume a 40-60 split; the actual effect on receipts could differ. Official estimates from the Joint Committee on Taxation would likely differ.

(1) The proposal indexes the AMT parameters for inflation after 2011 and allows both refundable and non-refundable personal credits against AMT liability. The AMT exemption threshold is set at \$48,450 for individuals and \$74,450 for married taxpayers filing jointly in 2011 and indexed thereafter.

(2) The Administration's FY2012 Budget Baseline would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; f) extend the maximum credit amount for the child and dependent care tax credit; g) increase the phase-out range and eliminate the 60-month limit on the deductibility of student loan interest payments; and h) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate).