

Table T12-0123
2013 House Republican Budget Proposal (Excluding Unspecified Base Broadeners)
Impact on Tax Revenue, 2012-22¹

	Fiscal Year											Total 2012-22	Total 2013-22	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
Current law baseline revenue²														
Billions of current dollars	2,523	2,988	3,313	3,568	3,784	4,039	4,243	4,456	4,680	4,926	5,181	43,701	41,178	
As percent of GDP	16.3	18.8	20.0	20.3	20.2	20.5	20.5	20.6	20.7	20.9	21.0	20.1	20.4	
(1) Extend expiring income, estate and gift tax provisions, and index the individual AMT for inflation ²	-23	-310	-449	-484	-502	-526	-554	-584	-622	-664	-710	-5,428	-5,405	
Current policy baseline revenue														
Billions of current dollars	2,500	2,678	2,864	3,084	3,282	3,513	3,689	3,872	4,058	4,262	4,471	38,273	35,773	
As percent of GDP	16.1	16.8	17.3	17.5	17.5	17.8	17.9	17.9	18.0	18.0	18.1	17.6	17.7	
(2) Repeal the AMT ³	0	-34	-49	-54	-60	-65	-70	-75	-81	-88	-94	-670	-670	
(3) Enact ordinary income tax rates of 10 and 25 percent ^{3,4}	0	-151	-211	-224	-237	-251	-265	-280	-294	-310	-326	-2,549	-2,549	
(4) Repeal taxes from 2010 health reform law ^{3,5}	-6	-9	-15	-28	-34	-37	-40	-43	-46	-48	-51	-358	-351	
(5) Allow ARRA stimulus provisions to expire ^{3,6}	0	16	22	22	22	22	22	22	21	21	21	210	210	
(6) Corporate tax provisions ⁷	0	-62	-110	-114	-112	-119	-118	-117	-114	-116	-118	-1,101	-1,101	
Total revenue after provisions (1) through (6)														
Billions of current dollars	2,494	2,438	2,501	2,686	2,861	3,062	3,217	3,379	3,545	3,721	3,903	33,806	31,312	
As percent of GDP	16.1	15.3	15.1	15.2	15.3	15.5	15.6	15.6	15.7	15.8	15.8	15.6	15.5	
Addendum														
Subtotal: provisions (2) and (3)	0	-186	-261	-278	-297	-316	-335	-355	-375	-397	-420	-3,219	-3,219	
Subtotal: provisions (2) through (6)	-6	-240	-363	-398	-421	-451	-472	-493	-513	-541	-568	-4,467	-4,461	

(1) Revenue estimates are net of outlays for refundable credits. Estimates of the budget resolution do not include unspecified base broadeners or the 20 qualified small business deduction.

(2) Source: Congressional Budget Office. "The Budget and Economic Outlook: Fiscal Years 2012 to 2022." January 2012. Available at http://cbo.gov/sites/default/files/cbofiles/attachments/01-31-2012_Outlook.pdf

(3) Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3). Estimates include microdynamic behavioral responses and assume proposal is effective 01/01/2013.

(4) Estimates assume that the 15 percent bracket would be reduced to 10 percent and that all brackets above 25 percent would be reduced to 25 percent.

(5) Taxes from health reform law include 3.8 percent surtax on net investment income and 0.9 percent surtax on earned income for high-income taxpayers, as well as the 2.5 percentage point increase in the AGI floor for deductibility of medical expenses.

(6) Includes expiration of the following provisions from the American Recovery and Reinvestment Act of 2009: expansion of the Hope credit into the American opportunity tax credit; reduction in the refundability threshold for the additional child credit; the 45 percent EITC phase-in rate for families with three or more children; and the expanded increase in the EITC phaseout threshold for married couples filing jointly.

(7) Estimates are relative to the current law baseline and include microdynamic behavioral responses.

THE TABLE DOES NOT ESTIMATE THE REVENUE EFFECTS OF THE ENTIRE FY 2013 BUDGET RESOLUTION PROPOSED BY REP. PAUL RYAN (R-WI). THE PROPOSED RESOLUTION INCLUDES MEASURES TO BROADEN THE INDIVIDUAL AND CORPORATE TAX BASES BUT LACKS SUFFICIENT DETAIL FOR AN ESTIMATE INCLUDING THOSE PROVISIONS.