

T12-0300
Options to Limit Itemized Deductions Except for Charitable Contributions
Impact on Tax Revenue (billions of current dollars), 2013-2022 ¹

Proposal and Baseline	Fiscal Year										Total 2013-22	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Option 1a: Cap itemized deductions at \$25,000 ²												
Current Law	67	90	98	108	117	124	132	139	147	155	1,177	
Current Policy	70	95	104	116	126	136	146	155	164	175	1,286	
Option 1b: Cap itemized deductions except for charitable contributions at \$25,000												
Current Law	45	61	66	73	79	85	91	96	101	107	804	
Current Policy	47	64	70	79	87	94	101	107	114	122	885	
Option 2a: Cap itemized deductions at \$50,000												
Current Law	39	53	58	65	71	76	83	88	94	101	727	
Current Policy	39	54	59	66	72	78	86	91	98	106	749	
Option 2b: Cap itemized deductions except for charitable contributions at \$50,000												
Current Law	25	34	37	42	46	49	54	58	62	66	473	
Current Policy	25	34	38	43	47	51	56	60	65	70	490	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

(1) Fiscal years. Proposals are effective 01/01/13. Estimates assume a 75-25 fiscal split; the actual effect on fiscal year receipts could differ. Estimates assume a microdynamic behavioral response. Estimates also assume that in response to a reduction in the tax benefit for mortgage interest, taxpayers will pay down outstanding mortgage balances. Revenue amounts reported are TPC estimates and may differ from official revenue estimates from the Joint Committee on Taxation.

(2) All deduction cap dollar amounts are indexed for inflation after 2013. The values given are for married couples filing jointly. The values for singles are half those for married couples, and the values for head of household filers are three-fourths those for married couples.