

Table T15-0013

Limit the Tax Value of Individual Retirement Arrangements and Defined Contribution Retirement Plans' Individual Deductions or Employer Exclusions from AGI to 15, 20 or 25 Percent against the Current Law Baseline (\$ billions), 2016-25¹

	Year										2016-25
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Fiscal Year Revenue²											
Limit to 15 percent	35.5	49.0	50.7	51.9	53.3	55.1	57.5	59.4	60.9	63.4	536.6
Limit to 20 percent	22.5	31.2	32.3	33.0	33.9	35.1	36.6	37.7	38.6	40.0	340.9
Limit to 25 percent	10.8	15.1	15.7	16.0	16.4	16.9	17.6	18.1	18.3	18.6	163.5
Calendar Year Liability											
Limit to 15 percent	47.3	49.5	51.0	52.1	53.7	55.6	58.2	59.8	61.3	64.1	552.6
Limit to 20 percent	30.0	31.6	32.6	33.2	34.2	35.4	37.0	37.9	38.8	40.4	351.0
Limit to 25 percent	14.4	15.3	15.8	16.0	16.5	17.0	17.8	18.1	18.3	18.7	168.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-v1).

(1) Baseline is current law. The proposal would limit the federal income tax value of specified deductions or exclusions from AGI. This limitation would reduce the value of these exclusions and deductions otherwise reduce taxable income in the 25-percent, 28-percent, 33-percent, 35-percent, or 39.6-percent tax brackets under the current law to 15, 20 or 25 percent. A similar limitation also would apply under the alternative minimum tax. The income exclusions and deductions limited by this provision would include individual and employer contributions to Individual Retirement Arrangements and defined contribution retirement plans. The proposal would be effective for taxable years

(2) Estimates assume a 75-25 fiscal split, i.e. fiscal year revenue is estimated to be 25 percent of revenue from the previous calendar year plus 75 percent of revenue from the

