

**Table T03-0174**  
**War Financing Options: Static Revenue Impact (\$ billions), 2003-13<sup>1</sup>**

	Year											Total 2003-13
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
<b>Calendar Years</b>												
5.25 Percent Surtax <sup>2</sup>	42.7	45.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	88.5
Top Rate of 37.5 Percent <sup>3</sup>	0.0	10.8	11.7	12.6	13.4	13.7	15.1	15.5	0.0	0.0	0.0	92.8
Rate of 39.6 Percent on Income Over \$1 million <sup>4</sup>	0.0	10.5	11.2	12.4	13.2	13.8	15.2	15.9	0.0	0.0	0.0	92.1
Restore Top Three Rates to 31, 36, 39.6 Percent <sup>5</sup>	0.0	30.4	29.9	30.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	91.2
Rate of 39.6 Percent on Income Over \$900,000 <sup>6</sup>	0.0	0.0	12.1	13.3	14.2	14.8	16.3	17.1	0.0	0.0	0.0	87.9
<b>Fiscal Years<sup>7</sup></b>												
5.25 Percent Surtax	0.0	77.1	11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	88.5
Top Rate of 37.5 Percent	0.0	8.1	11.4	12.3	13.2	13.6	14.8	15.4	3.9	0.0	0.0	92.8
Rate of 39.6 Percent on Income Over \$1 million	0.0	7.9	11.0	12.1	13.0	13.6	14.8	15.7	4.0	0.0	0.0	92.1
Restore Top Three Rates to 31, 36, 39.6 Percent	0.0	22.8	30.0	30.7	7.7	0.0	0.0	0.0	0.0	0.0	0.0	91.2
Rate of 39.6 Percent on Income Over \$900,000	0.0	0.0	9.1	13.0	14.0	14.7	16.0	16.9	4.3	0.0	0.0	87.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1).

(1) Baseline is current law.

(2) Surtax would be applied to income tax after refundable and nonrefundable credits, if positive. Effective 01/01/03 and sunsets 12/31/04.

(3) Under current law, the top rate is 35 percent. Option is effective 01/01/04 and sunsets 12/31/10.

(4) Top rate of 39.6 percent would apply to taxable income of more than \$1,000,000 for singles, married couples filing jointly, and heads of household; the bracket threshold would be \$500,000 for married individuals filing a separate return. Option is effective 01/01/04 and sunsets 12/31/10. Bracket threshold would be indexed for inflation after 2004.

(5) EGTRRA reduced the top 3 rates from 31, 36, and 39.6 percent to 28, 31, and 35 percent by 2006; JGTRRA accelerated this reduction to 2003. The option is effective 01/01/04 and sunsets 12/31/06.

(6) Top rate of 39.6 percent would apply to taxable income of more than \$900,000 for singles, married couples filing jointly, and heads of household; the bracket threshold would be \$450,000 for married individuals filing a separate return. Option is effective 01/01/05 and sunsets 12/31/10. Bracket threshold would be indexed for inflation after 2005.

(7) Fiscal-year estimates assume a 0-100 split for 2003; 75-25 split for future years. The impact on actual fiscal year receipts could differ.