Table T04-0174

Repealing the AMT and Disallowing the Deduction for State and Local Taxes: Static Impact on Individual Income Tax Liability and Revenue ($ billions), 2005-14[1]

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total 2005-14
Current-Law Baseline											
Calendar Year Liability	51.5	17.4	12.9	4.0	-2.1	-15.2	67.4	67.5	66.4	65.0	334.9
Fiscal Year Revenue[2]	45.6	37.4	16.8	11.5	3.1	-5.2	23.7	69.4	69.1	67.9	339.3
Extended Baseline[3]											
Calendar Year Liability	51.5	17.4	12.9	4.0	-2.5	-15.5	-26.3	-37.7	-51.7	-66.1	-113.9
Fiscal Year Revenue	45.6	37.4	16.8	11.5	2.7	-5.6	-18.1	-29.1	-41.3	-55.5	-35.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-5).

(1) Provisions include: repeal the AMT, effective 01/01/05; repeal the deduction for state and local taxes, effective 01/01/05; repeal the inclusion of state and local tax refunds in adjusted gross income, effective 01/01/06. Note that the estimates do not include the impact of the deduction for state and local general sales taxes enacted by the American Jobs Creation Act of 2004.

(2) Fiscal-year estimates assume a 40-60 split for revenue change due to AMT repeal and 75-25 split for revenue change related to state and local tax deductions and refunds. The actual effect o receipts could differ.

(3) Extended baseline is current law plus the Administration's FY2005 Budget Proposal to extend provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the limitation on itemized deductions (Pease); the personal exemption phaseout (PEP); the standard deduction, 15-percent bracket, and EITC for married couples; the AMT; pension and IRA provisions; estate tax repeal; 15 percent tax rate on qualified dividends and capital gains (0 percent for lower-income taxpayers).