

December 16, 2004

Preliminary Results

Table T05-0016
Unified Tax Plans Against Extended Law Baseline
Effect on Federal Tax Revenues in \$ Billions, 2005-2014¹

	Fiscal Year										Total 2005-2014
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Unified Tax Plan A²	30	21	18	31	16	32	31	26	17	9	231
Unified Tax Plan B³	28	20	18	33	19	37	38	36	31	27	288
Unified Tax Plan C⁴	57	60	61	77	65	85	88	88	84	82	748

Source: Urban-Brookings Tax Policy Center Microsimulation Model, version 0304-2.

(1) Effect versus Administration's FY 2005 Tax Proposals. Fiscal year calculations assume a 75-25 split of calendar year totals.

(2) Capital gains and dividends are taxed as ordinary income, the refundability threshold for the child tax credit is lowered to \$5,000 and unindexed, a \$250 capital income exclusion is added, the standard deduction is increased to \$10,000 for married couples, the AMT is eliminated, the PEP/PEASE provisions are retained, tax-deferred retirement saving is instead replaced with a revenue-neutral refundable credit rate, and the tax structure is simplified to 3 rates, 15%, 25%, and 39.6% at \$0, \$25,000 and \$170,000 respectively for married couples filing jointly. The employee share of OASDI is eliminated, and the employer cap on social security taxes is eliminated. The estate tax is adjusted to have a \$2.5 million exemption and a 48% maximum rate. \$30 billion a year is estimated to be recouped by closing corporate tax loopholes.

(3) Same as (2) above except the top bracket is lowered to \$120,000 and the second bracket is raised to \$33,000.

(4) Same as (2) above except the top bracket is lowered to \$120,000.