

3-May-05

PRELIMINARY RESULTS

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NOTE: THESE ARE NOT JCT-COMPARABLE REVENUE ESTIMATES. THEY ARE STATIC IMPACTS ON ESTATE TAX LIABILITY ONLY. SEE NOTE (1).

Table T05-0072

Options for Reforming the Estate Tax: Static Impact on Estate Tax Liability (\$ billions), 2006-15<sup>1</sup>

	Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-15
<b>Calendar Years</b>											
Option 1: \$2M Exemption and 35% Top Rate	-4.3	-4.3	-4.7	2.2	18.5	-18.9	-20.6	-22.4	-24.5	-26.7	-105.8
Option 2: \$2M Exemption and 27.5% Top Rate	-7.2	-7.5	-8.2	-1.7	14.2	-23.6	-25.7	-28.0	-30.7	-33.5	-151.9
Option 3: \$1.5M Exemption and 35% Top Rate	-1.4	-1.1	-1.2	6.1	22.7	-14.1	-15.4	-16.6	-18.1	-19.8	-58.8
Option 4: \$1.5M Exemption and 27.5% Top Rate	-5.0	-5.0	-5.5	1.3	17.6	-19.8	-21.6	-23.5	-25.7	-28.1	-115.2
Option 5: Repeal as of 01/01/06	-17.1	-18.3	-20.1	-15.0	0.0	-39.2	-42.9	-47.0	-51.7	-56.4	-307.8
<b>Fiscal Years<sup>2</sup></b>											
Option 1: \$2M Exemption and 35% Top Rate	0.0	-4.3	-4.3	-4.7	2.2	18.5	-18.9	-20.6	-22.4	-24.5	-79.1
Option 2: \$2M Exemption and 27.5% Top Rate	0.0	-7.2	-7.5	-8.2	-1.7	14.2	-23.6	-25.7	-28.0	-30.7	-118.4
Option 3: \$1.5M Exemption and 35% Top Rate	0.0	-1.4	-1.1	-1.2	6.1	22.7	-14.1	-15.4	-16.6	-18.1	-39.0
Option 4: \$1.5M Exemption and 27.5% Top Rate	0.0	-5.0	-5.0	-5.5	1.3	17.6	-19.8	-21.6	-23.5	-25.7	-87.2
Option 5: Repeal as of 01/01/06	0.0	-17.1	-18.3	-20.1	-15.0	0.0	-39.2	-42.9	-47.0	-51.7	-251.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2)

(1) Baseline is current law. Change in estate tax liability is a static estimate that does not include behavioral response. Change does not include the effects of the gift tax or income tax. All proposals are effective for decedents dying on or after 01/01/06. Options 1 through 4 assume that the state death tax credit is permanently replaced with a deduction for state estate taxes actually paid.

(2) Fiscal year estimates assume a 0-100 split. The actual effect on receipts could differ.