

Table T22-0142
Make the Individual Income Tax and Estate Tax Provisions in the 2017 Tax Act Permanent
Baseline: Current Law
Impact on Tax Revenue (billions of current dollars), 2023-42 Fiscal Years

| Proposal | Fiscal Years | | | | | | | | | | | |
|--|--------------|------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2023-32 | 2033-42 |
| Enact 10, 12, 22, 24, 32, 35, and 37 percent income tax rate brackets | 0.0 | 0.0 | 0.0 | -132.8 | -198.0 | -206.7 | -213.8 | -221.9 | -230.9 | -241.0 | -1,445.1 | -3,037.0 |
| Increase individual AMT exemption to \$109,400 for married couples filing jointly (\$70,300 for unmarried individuals) and exemption phase-out threshold to \$1 million for married couples filing jointly (\$500,000 for unmarried individuals); indexed for inflation after 2018 | 0.0 | 0.0 | 0.0 | -50.7 | -127.5 | -132.2 | -141.2 | -150.8 | -160.8 | -170.9 | -934.2 | -2,304.5 |
| Increase standard deduction to \$24,000 for married couples filing jointly, \$18,000 for heads of household, and \$12,000 for others; indexed for inflation after 2018 | 0.0 | 0.0 | 0.0 | -78.6 | -113.6 | -117.0 | -120.6 | -125.1 | -129.7 | -135.2 | -819.8 | -1,614.3 |
| Repeal deduction for personal exemptions | 0.0 | 0.0 | 0.0 | 128.9 | 188.6 | 195.9 | 203.0 | 209.9 | 218.6 | 226.7 | 1,371.6 | 2,677.1 |
| Allow 20 percent deduction for qualified business income with exceptions for certain specified service trades or businesses and subject to wage and capital limitations for married couples filing jointly with taxable incomes greater than \$315,000 (\$157,500 for others), indexed for inflation after 2018 | 0.0 | 0.0 | 0.0 | -45.7 | -73.6 | -78.5 | -81.7 | -84.4 | -87.3 | -90.8 | -541.9 | -1,183.1 |
| Disallow active pass-through losses in excess of \$500,000 for married couples filing jointly, \$250,000 for others; indexed for inflation after 2018 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15.4 | 26.6 | 27.5 | 28.8 | 98.3 | 407.7 |
| Increase child tax credit amount to \$2,000 not indexed; refundable up to \$1,400 indexed down to nearest \$100 after 2018; \$2,500 refundability threshold not indexed; \$500 credit for other dependents not indexed; increase phase-out threshold to \$400,000 for married couples filing jointly, \$200,000 for others, not indexed | 0.0 | 0.0 | 0.0 | -38.2 | -85.3 | -86.5 | -87.6 | -88.3 | -89.4 | -90.6 | -565.9 | -941.6 |
| Require valid Social Security number of each child to claim refundable and non-refundable portions of child credit, non-child dependents and any child without a valid Social Security number still receives \$500 non-refundable credit for other dependents | 0.0 | 0.0 | 0.0 | 0.7 | 3.3 | 3.2 | 3.3 | 3.2 | 3.1 | 3.1 | 19.8 | 30.3 |
| Repeal of itemized deductions for taxes not paid or accrued in a trade or business (except for up to \$10,000 in state and local taxes), interest on mortgage debt in excess of \$750,000, interest on home equity debt, non-disaster casualty losses, and certain miscellaneous expenses; repeal of overall limitation on itemized deductions (Pease) | 0.0 | 0.0 | 0.0 | 76.3 | 126.4 | 132.0 | 142.2 | 152.5 | 162.6 | 172.8 | 964.9 | 2,487.5 |
| Repeal of deduction for moving expenses | 0.0 | 0.0 | 0.0 | 0.9 | 1.2 | 1.3 | 1.4 | 1.5 | 1.5 | 1.6 | 9.5 | 21.5 |
| Double estate, gift, and GST tax exemption amount | 0.0 | 0.0 | -0.1 | -0.4 | -1.3 | -12.9 | -15.4 | -15.9 | -16.9 | -17.8 | -80.7 | -227.6 |
| Total for all provisions | 0.0 | 0.0 | -0.1 | -139.6 | -279.7 | -301.4 | -295.1 | -292.8 | -301.5 | -313.2 | -1,923.5 | -3,683.9 |
| As a share of GDP (percent) | 0.0 | 0.0 | 0.0 | -0.5 | -0.9 | -1.0 | -0.9 | -0.9 | -0.9 | -0.9 | -0.6 | -0.8 |

Sources: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2); TPC calculations based on JCT estimates. GDP forecast from CBO's July 2022 report, The 2022 Long-Term Budget Outlook.

(1) Baseline is the law currently in place for each year as of November 20, 2022. Estimates include microdynamic behavioral responses.