

**T08-0021**  
**Stimulus Options**

**Static Impact on Individual Income Tax Revenue (\$ billions), 2008-17<sup>1</sup>**

|   | 2008   | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2008-17 |
|---|--------|------|------|------|------|------|------|------|------|------|---------|
| <b>Fiscal Year Revenue</b>  |        |      |      |      |      |      |      |      |      |      |         |
| Opt 1: Reduce 10-percent individual income tax rate to 0 <sup>2</sup>                   | -101.3 | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | -101.3  |
| Opt 2: Rebate of up to \$600 (\$1200 for couples) plus \$300 per dependent <sup>3</sup> | -131.2 | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | -131.2  |
| Opt 3: Option 2 phased out for upper income and limited by earnings <sup>4</sup>        | -107.2 | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | -107.2  |
| Opt 4: Rebate of up to \$400 (\$800 for couples) plus \$200 per dependent <sup>5</sup>  | -88.7  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | -88.7   |
| Opt 5: Option 4 phased out for upper income and limited by earnings <sup>6</sup>        | -71.8  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | -71.8   |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

(1) Proposals are effective for the 2008 calendar year only; estimates assume entire revenue effect would be in fiscal year 2008. Baseline is current law assuming extension and indexation for inflation of the 2007 AMT patch in 2008. Estimates are static and do not account for any potential microeconomic behavioral response. Official estimates from the Joint Committee on Taxation would likely show a somewhat different effect on revenue.

(2) Proposal provides a tax rebate equivalent to a reduction in the bottom tax rate from 10 percent to 0 percent, based on income reported on 2007 tax returns.

(3) Proposal provides a tax rebate of up to \$600 (\$1,200 for married couples filing a joint return) plus \$300 per dependent. The rebate would be limited by the sum of individual income tax liability (if positive) and 15 percent of earnings (defined as wages plus self-employment income, if positive).

(4) Proposal provides a tax rebate of up to \$600 (\$1,200 for married couples filing a joint return) plus \$300 per dependent. The rebate would be limited by 15 percent of earnings (defined as wages plus self-employment income, if positive). The rebate would be phased out at a rate of 5 percent of AGI in excess of the thresholds for the child tax credit phaseout (\$75,000 for singles, \$110,000 for couples).

(5) Proposal provides a tax rebate of up to \$400 (\$800 for married couples filing a joint return) plus \$200 per dependent. The rebate would be limited by the sum of individual income tax liability (if positive) and 15 percent of earnings (defined as wages plus self-employment income, if positive).

(6) Proposal provides a tax rebate of up to \$400 (\$800 for married couples filing a joint return) plus \$200 per dependent. The rebate would be limited by 15 percent of earnings (defined as wages plus self-employment income, if positive). The rebate would be phased out at a rate of 5 percent of AGI in excess of the thresholds for the child tax credit phaseout (\$75,000 for singles, \$110,000 for couples).