

T08-0022
Stimulus Options

Static Impact on Individual Income Tax Revenue (\$ billions), 2008-17¹

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-17
Fiscal Year Revenue											
Opt A: Rebate of up to \$550 (\$1,100 for couples) plus \$275 per dependent, phased out for upper income taxpayers ²	-103.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-103.7
Opt B: Fully refundable rebate of \$450 (\$900 for couples) plus \$225 per dependent ³	-105.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-105.2

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 of up to \$550 (\$1,100 for married couples filing a joint return) plus \$275 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). 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).

(3) Proposal provides a fully refundable tax rebate available to all individual income tax filers of \$450 (\$900 for married couples filing a joint return) plus \$225 per dependent.