

**Table T08-0168**  
**Senator John McCain's Tax Proposals as Described in his Stump Speeches, Fully Phased In**  
**Impact on Tax Revenue, 2009-18<sup>1</sup>**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total 2009-18
Proposals as described by economic advisers	-108.5	-152.4	-326.0	-438.9	-451.5	-402.9	-487.2	-547.1	-600.8	-655.1	-4,170.5
<b>Potential additional cost of proposals in economic advisers version</b>											
Repeal AMT rather than patch and index	-14.0	-38.7	-41.8	-39.5	-43.1	-44.7	-43.7	-42.8	-41.9	-41.1	-391.2
Increase dependent exemption to \$7,000 in 2009 and index	-26.2	-31.6	-29.6	-28.3	-26.6	-24.4	-21.6	-18.6	-18.1	-18.3	-243.3
Reduce corporate income tax rate to 25% immediately	-96.6	-47.3	-47.5	-30.5	-27.9	-9.7	0.0	0.0	0.0	0.0	-259.5
Allow full expensing of all business equipment	-74.8	-74.3	-63.1	-56.2	-49.1	-140.6	-98.6	-75.3	-59.8	-46.0	-737.8
Alternative individual income tax system with rates of 15%/25%	-63.7	-85.5	-98.6	-108.3	-114.7	-121.6	-128.4	-135.5	-143.5	-151.3	-1,151.2
Total change compared with economic advisers version	-275.3	-277.5	-280.5	-262.8	-261.4	-341.0	-292.3	-272.2	-263.3	-256.8	-2,783.0
Total of all provisions	-383.8	-429.9	-606.6	-701.7	-712.9	-743.9	-779.5	-819.3	-864.1	-911.8	-6,953.5
<b>Addenda:</b>											
Net revenue impact against tax cuts extended, AMT-patched baseline	-355.2	-354.2	-337.8	-327.7	-312.3	-317.3	-326.0	-336.3	-349.1	-362.9	-3,378.8
Federal tax revenue as a share of GDP under the proposal	16.3	16.0	15.7	16.0	16.0	16.0	16.1	16.1	16.2	16.3	16.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-6), various JCT scores, the fiscal year 2009 Treasury blue book, CBO's Budget Options 2007, and CBO's most recent budget projections.

(1) Estimates incorporate a 0.25 elasticity of taxable income with respect to the marginal tax rate on ordinary income, a long-run elasticity of capital gains realizations with respect to the maximum tax rate on capital gains of 0.25, and an additional short-term shifting of realizations around the time of the tax rate change. Corporate income tax estimates are static (they do not include a behavioral response). Official estimates from the Joint Committee on Taxation would likely differ.