

Table T02-0017
Accelerate and Freeze Options: Revenue Effects (\$ billions), 2003-2012 Fiscal Years¹

Reform Option	Fiscal Year										Total
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Plan 1: Accelerate Low- and Middle-Income Tax Cuts, Sunset 12/31/10²	-26.1	-51.0	-40.3	-27.5	-23.6	-20.3	-15.1	-8.0	-1.8	0.0	-213.5
Plan 2: Plan 1 plus freeze other income and estate tax cuts with AMT relief, no sunset³	-26.1	-45.4	-32.6	-19.5	-0.5	4.3	10.0	27.8	-19.7	-157.1	-258.9
Plan 3: Plan 2 without AMT relief⁴	-26.1	-45.4	-26.4	-5.6	16.4	24.6	33.9	54.9	10.2	-124.5	-87.8
Plan 4: Plan 3 without acceleration of 15-percent bracket expansion⁵	-15.9	-25.1	-12.3	0.5	19.3	25.5	33.9	54.9	10.2	-124.5	-33.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Fiscal-year income tax estimates assume a 50-50 split.

(2) The following provisions are effective for 2003: the child tax credit is increased to \$1,000; the refundability rate for the child credit is increased to 15 percent; the size of the 10-percent bracket is expanded to \$7,000 for singles/\$14,000 for married couples filing jointly (MFJ) and these amounts are indexed after 2003; the standard deduction for MFJ is increased to twice that for singles; the size of the 15-percent bracket for MFJ is expanded to twice that for singles; the addition to the plateau of the earned income tax credit is increased to \$3,000 for MFJ and this amount is indexed after 2003.

(3) The top four statutory income tax rates are frozen at their 2002 levels: 27, 30, 35, and 38.6 percent. The limitation on itemized deductions and the personal exemption phaseout are retained with their pre-EGTRRA parameters; estate tax changes are frozen at their 2002 levels; the increase in AMT exemption amounts scheduled to sunset 12/31/04 under current law is made permanent.

(4) Allows for the reduction in AMT exemption amounts scheduled under current law. Effective for the 2005 calendar year, the AMT exemption amounts are reduced to \$45,000 for MFJ/\$33,750 for singles and heads of household.

(5) The expansion of the 15-percent bracket is allowed to phase in as scheduled under current law.

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