Table T04-0016
Calendar-Year Revenue Change Due to Selected Kerry Proposals
Relative to Current Law and Administration's Extended Baseline, 2005-14[1]

Proposal	Revenue Change Relative to Current Law		Revenue Change Relative to Extended Baseline[2]	
	2005-2009	2005-2014	2005-2009	2005-2014
Make middle class income tax cuts permanent and repeal high-income tax cuts[3]	103	-394	248	632
Modify estate tax[4]	19	0	28	233
Enact College Opportunity Tax Credit[5]	-37	-78	-37	-78
Subtotal TPC estimates	84	-473	239	786
Health tax credits (Kerry campaign estimate)				
Small business	-24	-67	-24	-67
Early retirees	-23	-66	-23	-66
Workers between jobs	-14	-44	-14	-44
Subtotal health credits	-61	-177	-61	-177
Total Kerry Plan	**23**	**-650**	**178**	**609**

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-4) and Kerry campaign estimates where noted.

(1) Calendar years except for Kerry campaign estimates which are fiscal years. Kerry plan is effective 01/01/05 and is assumed to be permanent. Revenue estimates include outlay portion of refundable tax credits (earned income tax credit, child tax credit, college opportunity tax credit, and health credits.

(2) Extended baseline is current law plus the Administration's FY2005 Budget Proposal to extend provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the limitation on itemized deductions (Pease); the personal exemption phaseout (PEP); the standard deduction, 15-percent bracket, and EITC for married couples; the AMT; pension and IRA provisions; estate tax repeal; 15 percent tax rate on qualified dividends and capital gains (0 percent for lower-income taxpayers).

(3) The Kerry plan contains the following additional provisions: increase top two marginal tax rates to 36 and 39.6 percent; increase tax rate on capital gains to 20 percent for taxpayers in the top two tax brackets; increase tax rate on dividends to 36 and 39.6 percent for taxpayers in the top two tax brackets; eliminate the repeal of the limitation on itemized deductions (Pease) and the personal exemption phaseout (PEP).

(4) The Kerry plan eliminates the repeal of the estate tax: the top estate tax rate would be 48 percent; the estate tax exemption would be set at $2 million per individual; and the Qualified Family-Owned Business Interest (QFOBI) exemption would be $5 million per individual.

(5) Revenue impact is measured against a baseline in which the rest of the Kerry tax plan has been enacted. Assumes the COTC cannot reduce a taxpayer's liability below his or her tentative AMT for years after 2005.