

# Examples of Taxing Unrealized Income in Current Law

- Section 965 Transition Tax on Accrued Foreign Profits (Transition Tax)
- Tax on Income of Controlled Foreign Corporations (Subpart F)
- Tax on Global Low Tax Intangible Income (GILTI)
- Corporate Alternative Minimum Tax on Book Income (AMT on Book Income)
- Taxation of Undistributed Income of Partnerships and S Corps (Partnerships and S Corps)
- Taxation of Accrued Interest on Original Issue Discounts Bonds (OID)
- Others:
  - Mark to Mark Taxation of Commodity Straddles
  - Taxation of Passive Foreign Investment Companies (PFIC)
  - Taxation of Unrealized Gains of Expatriating Individuals

# Current Annual Receipts from Taxing Unrealized Income (Billions of \$s)



Source of Taxation of Unrealized Gains	2024	2028
Section 965 Transition Tax **	\$8.2	\$8.7
Taxation of Global Intangible Low-Taxed Income	\$14.8	\$26.3
Taxation of Passive Income of Controlled Foreign Corporations (Subpart F)	\$8.3	\$9.9
Corporate AMT on Book Income	\$24.5	\$28.0
Taxation of Retained Profits from Partnership and Subchapter S Corporations	\$22.7	\$38.8
Taxation of Current Interest on Original Issue Discount Bonds (with capital gains treatment of gain from redemption)	\$8.6	\$13.8
All Selected Provisions	\$87.1	\$125.5

**Note:** \*\* Annual interest on total foregone revenue

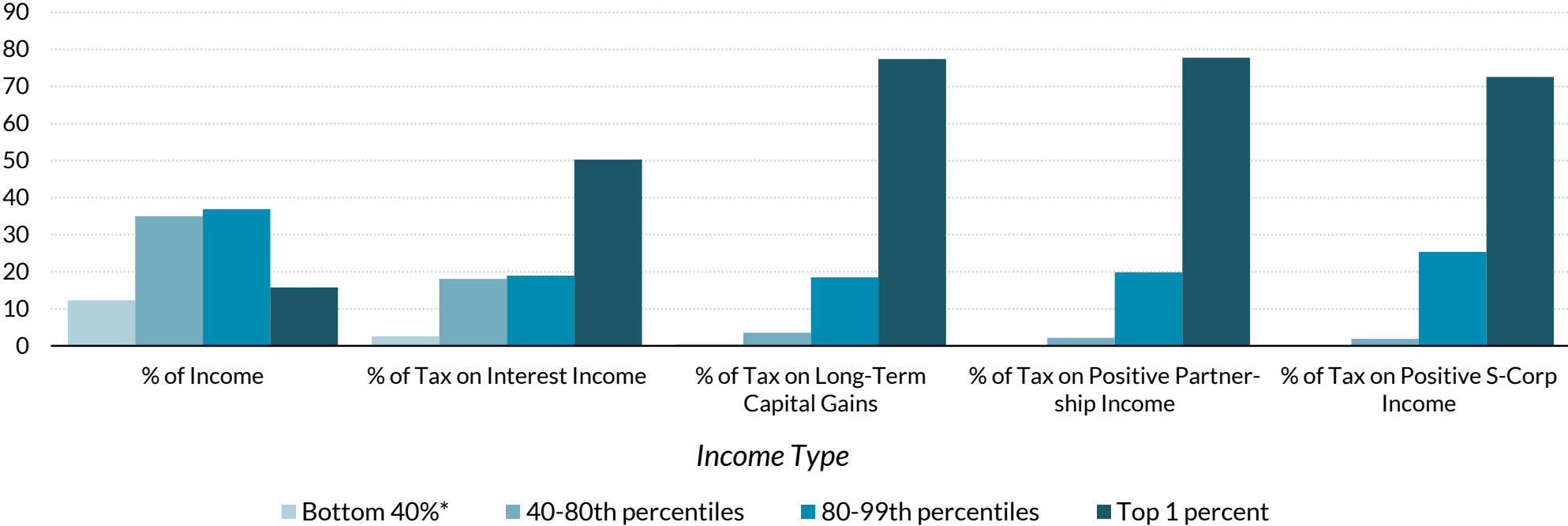
*Current receipts are not equivalent to potential revenue losses. In particular, they do not account for how taxpayers, practitioners, Congress or the courts would respond*

# Distribution of Current-Law Tax Burden on Selected Income Sources



Tax Year 2024

Share of Income



Source: Urban-Brookings Tax Policy Center individual income tax microsimulation model.

Note: \* Bottom quintile includes taxpayer with negative expanded cash income