

**- Committee on Finance -**  
**ESTIMATED BUDGET EFFECTS OF ADJUSTMENTS FOR CERTAIN CURRENT POLICIES AS OUTLINED IN**  
**THE "STATUTORY PAY-AS-YOU-GO ACT OF 2010"**

**Fiscal Years 2010 - 2020**

*[Millions of Dollars]*

| <b>Provision</b>   | <b>Effective</b>                  | <b>2010</b> | <b>2011</b>    | <b>2012</b>     | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>     | <b>2017</b>     | <b>2018</b>     | <b>2019</b>     | <b>2020</b>     | <b>2010-15</b>  | <b>2010-20</b>    |
|--|-----------------------------------|-------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| <b>Make Permanent Certain Tax Cuts Enacted in 2001 and 2003</b>  |                                   |             |                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |
| A. Permanently Extend Capital Gains and Dividends<br>0%/15% Rates for Certain Taxpayers.....   | tyba 12/31/10                     | ---         | -1,610         | -7,804          | -9,339          | -9,881          | -10,659         | -11,169         | -11,613         | -11,974         | -12,293         | -12,770         | -39,293         | -99,113           |
| B. Permanently Increase the Maximum Amount<br>and Phaseout Threshold Under Section 179<br>that are Scheduled to Expire After 2010..... | tyba 12/31/10                     | ---         | -2,789         | -5,110          | -4,479          | -3,871          | -2,948          | -2,018          | -1,330          | -1,009          | -989            | -1,150          | -19,197         | -25,693           |
| C. Reductions in Individual Income Tax Rates   |                                   |             |                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |
| 1. Retain 10% bracket.....   | tyba 12/31/10                     | ---         | -30,748        | -44,704         | -45,850         | -46,835         | -47,228         | -47,069         | -47,027         | -46,669         | -46,464         | -46,151         | -215,365        | -448,745          |
| 2. Retain the 25%, the 28%, and part of the 33%<br>income tax bracket.....   | tyba 12/31/10                     | ---         | -12,636        | -18,810         | -19,948         | -21,129         | -21,864         | -22,096         | -22,315         | -22,334         | -22,296         | -22,311         | -94,387         | -205,739          |
| D. Extend the \$1,000 Child Tax Credit,<br>Refundability, and AMT rules.....   | tyba 12/31/10                     | ---         | -7,096         | -45,601         | -46,337         | -46,735         | -46,915         | -47,233         | -47,725         | -48,052         | -48,369         | -48,684         | -192,685        | -432,748          |
| E. Marriage Penalty Relief.....  | tyba 12/31/10                     | ---         | -6,365         | -15,127         | -15,370         | -15,437         | -15,297         | -14,946         | -14,679         | -14,573         | -14,350         | -14,332         | -67,595         | -140,475          |
| F. Education Incentives [1] [2].....   | generally 1/1/11                  | ---         | -792           | -1,664          | -1,714          | -1,810          | -1,931          | -2,109          | -2,250          | -2,329          | -2,412          | -2,593          | -7,911          | -19,604           |
| G. Other Incentives for Families and Children [3].....   | tyba 12/31/10                     | ---         | -85            | -425            | -665            | -720            | -734            | -734            | -729            | -734            | -738            | -751            | -2,626          | -6,314            |
| H. Repeal Overall Limitation on Itemized Deduction<br>and the Personal Exemption Phaseout for Certain<br>Taxpayers.....                | tyba 12/31/10                     | ---         | -363           | -772            | -867            | -966            | -1,054          | -1,119          | -1,173          | -1,225          | -1,276          | -1,331          | -4,022          | -10,147           |
| <b>Total of Make Permanent Certain Tax Cuts<br/>Enacted in 2001 and 2003.....</b>  |                                   | <b>---</b>  | <b>-62,484</b> | <b>-140,017</b> | <b>-144,569</b> | <b>-147,384</b> | <b>-148,630</b> | <b>-148,493</b> | <b>-148,841</b> | <b>-148,899</b> | <b>-149,187</b> | <b>-150,073</b> | <b>-643,081</b> | <b>-1,388,578</b> |
| <b>Estate and Gift Options - Extend 2009 Estate<br/>and Gift Taxes and Index the Exemption<br/>Amounts Through 2011.....</b>           | <b>dda &amp;<br/>gma 12/31/09</b> | <b>---</b>  | <b>4,928</b>   | <b>-17,368</b>  | <b>-1,010</b>   | <b>-111</b>     | <b>-446</b>     | <b>-40</b>      | <b>103</b>      | <b>121</b>      | <b>125</b>      | <b>131</b>      | <b>-14,007</b>  | <b>-13,567</b>    |

| Provision  | Effective            | 2010          | 2011            | 2012            | 2013            | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2010-15         | 2010-20           |
|--|----------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| <b>Increase AMT Exemption Amount and Allow Personal Credits Against the AMT to Hold Number of Taxpayers Affected by the AMT at the Same Number Estimated to be Affected by the AMT in Tax Year 2008 (sunset 12/31/11) [4].....</b> | <b>tyba 12/31/09</b> | <b>-3,202</b> | <b>-84,820</b>  | <b>-72,941</b>  | <b>16,971</b>   | <b>---</b>      | <b>---</b>      | <b>---</b>      | <b>---</b>      | <b>---</b>      | <b>---</b>      | <b>---</b>      | <b>-143,992</b> | <b>-143,992</b>   |
| <b>NET TOTAL .....</b>   |                      | <b>-3,202</b> | <b>-142,376</b> | <b>-230,326</b> | <b>-128,608</b> | <b>-147,495</b> | <b>-149,076</b> | <b>-148,533</b> | <b>-148,738</b> | <b>-148,778</b> | <b>-149,062</b> | <b>-149,942</b> | <b>-801,080</b> | <b>-1,546,137</b> |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be August 1, 2010.

Legend for "Effective" column:

dda = decedents dying after

gma = gifts made after

tyba = taxable years beginning after

[1] The provision that permanently extends the exclusion for undergraduate courses and graduate level courses is included in the Education

Incentives line and includes the following effects:

|                            | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2011-15</u> | <u>2011-20</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Total Revenue Effects..... | ---         | -706        | -964        | -992        | -1,023      | -1,053      | -1,085      | -1,117      | -1,151      | -1,185      | -1,221      | -4,738         | -10,497        |
| On-budget effects.....     | ---         | -460        | -653        | -671        | -692        | -713        | -734        | -756        | -779        | -802        | -826        | -3,189         | -7,086         |
| Off-budget effects.....    | ---         | -246        | -311        | -321        | -331        | -340        | -351        | -361        | -372        | -383        | -395        | -1,549         | -3,411         |

[2] Estimate includes an extension of all education incentives subject to the EGTRRA sunset: Coverdell education savings accounts, employer provided assistance, student loan interest, tax on awards, arbitrage rebate exception for school construction bonds, and tax-exempt private activity bonds for qualified education facilities.

[3] Estimate includes extension of the adoption tax credit, employer-provided child care tax credit, and dependent care tax credit. The estimate relating to the adoption tax credit is for the extension of EGTRRA and does not include extension of refundability as enacted by H.R. 3590, the "Patient Protection and Affordable Care Act ('PPACA')."

[4] For 2010, the AMT exemption amount is \$47,450 (\$72,450 for married couples filing jointly). For 2011, the AMT exemption amount is \$47,100 (\$71,750 for married couples filing jointly).