#12-2 112 R3 VERY PRELIMINARY 19-Jul-12

ESTIMATED REVENUE EFFECTS OF THE "MIDDLE CLASS TAX CUT ACT"

Fiscal Years 2013 - 2022

[Millions of Dollars]

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
Temporary Extension of Certain Tax Cuts													
A. Temporary Extension of Certain Tax Cuts Enacted in 2001													
1. Individual income tax rate relief:													
a. Retain 10% income tax bracket (sunset 12/31/13)													
[1]	tyba 12/31/12	-30,723	-13,167	[2]								-43,890	-43,890
b. Retain the 25% and the 28% and part of the													
33% income tax brackets (sunset 12/31/13)	tyba 12/31/12	-13,287	-5,695	[2]								-18,982	-18,982
c. Repeal overall limitation on itemized													
deduction and the personal exemption phaseout	1 10/01/10	4.40	10.6	F 2 3								0.46	0.46
for certain taxpayers (sunset 12/31/13)	tyba 12/31/12	-440	-406	[2]								-846	-846
2. Retain the child tax credit at \$1,000; refundable up to													
greater of 15% of earned income in excess of \$10,000													
(indexed from 2001) or the taxpayer's social security tax													
liability to the extent that it exceeds the taxpayer's earned													
income credit; allow credit against the AMT; repeal AMT	tale 12/21/12	4 1 1 7	21.515									25 622	25 622
offset of refundable credits (sunset 12/31/13) [1]	tyba 12/31/12	-4,117	-31,515									-35,632	-35,632
a. Standard deduction and 15% rate bracket set at													
2 times single for married filing jointly (sunset													
12/31/13) [1]	tyba 12/31/12	-4.494	-1.926	[2]								-6.420	-6,420
b. EIC modification and simplification - increase	tyba 12/31/12	-4,424	-1,920	[2]								-0,420	-0,420
in joint returns beginning and ending income level													
for phaseout by \$3,000 indexed after 2008; simplify													
definition of earned income; use AGI instead of													
modified AGI; simplify definition of qualifying													
child and tie-breaker rules; and allow math error													
procedure with Federal Case registry data													
beginning in 2004 (sunset 12/31/13) [1]	tyba 12/31/12	-31	-3.095									-3.126	-3,126
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Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
4. Education Tax Relief:													
a. Coverdell Education Savings Accounts ("ESAs") -													
increase the annual contribution limit to \$2,000;													
allow ESA contributions for special needs													
beneficiaries above the age of 18; allow													
corporations and other entities to contribute to													
ESAs; allow contributions until April 15 of the													
following year; allow a taxpayer to exclude ESA													
distributions from gross income and claim the													
HOPE or Lifetime Learning credits as long as they													
are not used for the same expenses; repeal excise tax													
on contributions made to ESA when contribution													
made by anyone on behalf of same beneficiary to													
QTP; modify phaseout range for married taxpayers;													
allow tax-free expenditures for elementary and													
secondary school expenses; expand the definition of													
qualified expenses to include certain computers and related items (sunset 12/31/13)	tyba 12/31/12	0	2									12	-12
b. Employer provided educational assistance - extend	tyba 12/31/12	-9	-3									-12	-12
the exclusion for undergraduate courses and graduate													
level courses (sunset 12/31/13) [3]	cba 12/31/12	-230	-919									-1,148	-1.148
c. Student loan interest deduction - eliminate the	Coa 12/31/12	-230	-919									-1,140	-1,140
60-month rule and the disallowance for voluntary													
payments; increase phaseout ranges to													
\$50,000-\$65,000 single/ \$100,000-\$130,000													
joint, indexed for inflation (sunset 12/31/13)	ipa 12/31/12	-89	-797									-887	-887
d. Eliminate the tax on awards under the National	1pu 12/01/12	0,										007	007
Health Service Corps Scholarship program and F.													
Edward Hebert Armed Forces Health Professions													
Scholarship and Financial Assistance Program													
(sunset 12/31/13)	tyba 12/31/12	-32	-95									-127	-127
e. Increase arbitrage rebate exception for	•												
governmental bonds used to finance qualified													
school construction from \$10 million to \$15													
million (sunset 12/31/13)	bia 12/31/12	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-12
f. Issuance of tax-exempt private activity bonds for													
qualified education facilities with annual State													
volume caps the greater of \$10 per resident or \$5													
million (sunset 12/31/13)	bia 12/31/12	[2]	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-27

	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
5. Dependent care tax credit - increase the credit rate to 35%, increase the eligible expenses to \$3,000 for one child and \$6,000 for two or more children (not indexed), and increase the start of the phase-out to \$15,000 of AGI (sunset 12/31/13) [1]	yba 12/31/12	-62	-187									-249	-249
6. Adoption credit - increase the expense limit and the exclusion to \$10,000 for both non-special needs and special needs adoptions, make the credit independent of expenses for special needs adoptions, extend the credit and the exclusion, increase the phase-out start point to \$150,000, index for inflation the expenses limit and the phase-out start point for both the credit and the exclusion, and allow the credit to apply to the AMT (sunset													
12/31/13) [1]ty 7. Employer-provided child care credit of 25% for childcare	yba 12/31/12	-154	-359									-513	-513
·	yba 12/31/12	-14	-9									-23	-23
8. Allow electing Alaska Native Settlement Trusts to tax income to the Trust not the beneficiaries (sunset 12/31/13)	tyba 12/31/12	-2	-2									-4	-4
B. Temporary Extension of Certain Tax Cuts Enacted in 2003 1. Tax capital gains with a 0%/15%/20% rate structure	iyoa 12/31/12	-2	-2									-4	-4
	tyba 12/31/12	-2,930	1,948	-1,506								-2,487	-2,487
	tyba 12/31/12	-5,301	-9,844									-15,144	-15,144
C. Temporary Extension of Certain Tax Cuts Enacted in 2009			40.400									40.400	
 American opportunity tax credit (sunset 12/31/13) [1] Reduce the earnings threshold for the refundable portion of 	yba 12/31/12	-2,625	-10,498									-13,123	-13,123
	tyba 12/31/12	-7	-10,672									-10,679	-10,679
families (sunset 12/31/13) [1] t	tyba 12/31/12	-18	-1,755									-1,773	-1,773
	tyba 12/31/12	-16	-1,623									-1,639	-1,639
5. Refunds disregarded in the administration of Federal programs and federally assisted programs (sunset 12/31/13) [1] [5]	ara 12/31/12	-2										-2	-2
Total of Temporary Extension of Certain Tax Cuts		-64,582	-90,623	-1,510	-4	-4	-4	-4	-4	-4	-4	-156,723	-156,746

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
Temporary Extension of Election to Expense Certain Depreciable Business Assets (sunset 12/31/13)	ppisa 12/31/12	-4,232	-2,871	2,187	1,357	980	758	479	271	131	62	-2,578	-878
Increase AMT Exemption Amount to \$50,600 (\$78,750) and Allow Personal Credits Against AMT (sunset 12/31/12)	tyba 12/31/11	-98,670	6,630									-92,039	-92,039
NET TOTAL		-167,484	-86,864	677	1,353	976	754	475	267	127	58	-251,340	-249,663

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2012. Revenue provisions as submitted in statutory draft MCG12381.

Legend for	"Effective"	column:
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segond for Effective Column.															
ara = amounts received after	dda = decedents dying after					ppisa = property placed in service after									
bia = bonds issued after	gma = gifts made after			tyba = taxable years beginning after											
cba = courses beginning after	ipa = intere														
[1] Estimate includes the following outlay effects:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22			
Retain 10% bracket		1,682									1,682	1,682			
Retain the child tax credit at \$1,000; refundable; AMT rules		15,048									15,048	15,048			
Marriage penalty - standard deduction and 15% rate		159									159	159			
EIC modification and simplification (\$3,000)		2,541									2,541	2,541			
Dependent care tax credit		43									43	43			
Adoption credit		88									88	88			
American opportunity tax credit		3,191									3,191	3,191			
Reduce the earnings threshold for the refundable portion of the															
child tax credit to \$3,000		10,645									10,645	10,645			
Extend EIC for larger families		1,611									1,611	1,611			
EIC modification and simplification (\$5,000)		1,305									1,305	1,305			
Refunds disregarded in the administration of Federal programs and federally															
assisted programs [5]	. 2										2	2			
[2] Loss of less than \$500,000.															
[3] Estimates includes the following budget effects:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22			
Total Revenue Effects	230	-919									-1,149	-1,149			
On-budget effects	153	-613									-766	-766			
Off-budget effects	77	-306									-383	-383			
[5] Estimate provided by the Congressional Budget Office.															