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 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 offset of refundable credits (sunset 12/31/13) [1]................	tyba 12/31/12	-4,117	-31,515	---	---	---	---	---	---	---	---	-35,632	-35,632
3. Marriage penalty relief:													
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 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

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	-9	-3	---	---	---	---	---	---	---	---	-12	-12
b. Employer provided educational assistance - extend 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 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 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

Provision	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].................................	tyba 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]..	tyba 12/31/12	-154	-359	---	---	---	---	---	---	---	---	-513	-513
7. Employer-provided child care credit of 25% for childcare expenditures and 10% for child care resource (sunset 12/31/13)...	tyba 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 (sunset 12/31/13)..	tyba 12/31/12	-2,930	1,948	-1,506	---	---	---	---	---	---	---	-2,487	-2,487
2. Tax dividends with a 0%/15%/20% rate structure (sunset 12/31/13)..	tyba 12/31/12	-5,301	-9,844	---	---	---	---	---	---	---	---	-15,144	-15,144
C. Temporary Extension of Certain Tax Cuts Enacted in 2009													
1. American opportunity tax credit (sunset 12/31/13) [1].........	tyba 12/31/12	-2,625	-10,498	---	---	---	---	---	---	---	---	-13,123	-13,123
2. Reduce the earnings threshold for the refundable portion of the child tax credit to $3,000 (sunset 12/31/13) [1].............	tyba 12/31/12	-7	-10,672	---	---	---	---	---	---	---	---	-10,679	-10,679
3. Extend the earned income tax credit ("EITC") for larger families (sunset 12/31/13) [1]...	tyba 12/31/12	-18	-1,755	---	---	---	---	---	---	---	---	-1,773	-1,773
4. EIC modification and simplification - increase in joint returns beginning and ending income level for phaseout by $5,000 indexed after 2008 (sunset 12/31/13) [1].................	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**
Reinstate 2009 Estate and Gift Tax Law With Unification and Portability (sunset 12/31/13)...………………	**dda & gma 12/31/12**	**-187**	**-19,718**	**-2,191**	**-381**	**-205**	**-18**	**67**	**72**	**72**	**72**	**-22,682**	**-22,416**

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 ……		**-167,671**	**-106,582**	**-1,514**	**972**	**771**	**736**	**542**	**339**	**199**	**130**	**-274,022**	**-272,079**

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 MCG12364.

Legend for "Effective" column:

ara = amounts received after
bia = bonds issued after
cba = courses beginning after
dda = decedents dying after
gma = gifts made after
ipa = interest paid after
tyba = taxable years beginning after

[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.