ESTIMATES OF OPTIONS FOR EXTENDING TAX PROVISIONS EXPIRING IN DECEMBER 2012

In anticipation of some of the difficult choices Congress will face this fall, the Senate Finance Committee recently requested and received the following scores from the Joint Committee on Taxation (JCT) regarding several options for extending temporary tax provisions created by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA), and the American Recovery and Reinvestment Act of 2009. Congress extended some of these provisions for two years in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

Permanent Extension

	01/03/09[1] tax cuts for all taxpayers, AMT patch[2], 2012 estate tax[3]	Same except 01/03/09 cuts expire for AGI above $200,000/ $250,000 for single/joint filers;[4] 2009 estate tax[5]	Same except 01/03/09 cuts expire for AGI above $1,000,000 for single and joint filers;[6] 2009 estate tax
Individual Income Tax	$4.150 trillion	$3.321 trillion	$3.687 trillion
Wealth Transfer Taxes	$388 billion	$251 billion	$251 billion
Total	**$4.538 trillion**	**$3.572 trillion**	**$3.938 trillion**

1-Year Extension

	01/03/09 tax cuts for all taxpayers, AMT patch, 2012 estate tax	Same except 01/03/09 tax cuts expire for AGI above $200,000/ $250,000 for single/joint filers; 2009 estate tax	Same except AGI threshold is $1,000,000 for single and joint filers; 2009 estate tax
Individual Income Tax	$395 billion	$338 billion	$363 billion
Wealth Transfer Taxes	$31 billion	$20 billion	$20 billion
Total	**$426 billion**	**$358 billion**	**$383 billion**

[1] 01/03/09 tax cuts refers to Title 1 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.
[2] AMT patch refers to Title 2 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, indexed from 2011.
[3] The 2012 estate tax parameters include a $5 million exemption ($10 million for couples) and a 35% rate, indexed from 2011.
[4] This assumes the AGI thresholds are indexed from 2009.
[5] The $3.5 million exclusion is not indexed.
[6] This assumes the AGI threshold is indexed from 2012.