

TAX REFORM ECONOMICS

tax-reform-economics-3-xls

(Deficit = "-")

10/30/17

118 "individual" tax breaks cost \$1.15 trillion in 2016

80 "corporate" breaks cost \$185.2 billion in 2016

45 million currently itemize; 7 million after tax reform

BENEFACTORS:

		<u>Per yr:</u>	<u>Big Pic</u>
1	Corp tax rate cut 35 ---> 20%:	-260	
2	Personal income tax rate reduction: (10/25/35%)	?	
3	Eliminate estate & gift tax:	-24	
4	Repeal Alt Min Tax (AMT):	-26.4	
5	Increase Standard Deduction 12---> 24	?	
6			(est)
		-310.4	-550

TAX DEDUCTIONS AT RISK (personal):

(\$ Billions)

	(Source: Forbes)	<u>5 Yrs:</u>	<u>Per yr:</u>	<u>Per yr:</u>
1	Employee paid health insurance:	760	152	--
2	Lower rate for capital gains:	616	123.2	--
3	State and local tax deductions:	431	86.2	86.2
4	Mortgage interest deduction:	379	75.8	75.8
5	Tax free Medicare benefits:	358	71.6	--
6	Workplace retirement savings (401K):	336	67.2	40
7	Earned income credit:	326	65.2	--
8	Child credit:	292	58.4	--
9	Capital gains excluded at death:	258	51.6	--
10	Insurance exchange subsidies:	238	47.6	--
11	Charitable deductions:	224	44.8	--
12	Interest on Municipal Bonds:	217	43.4	--
13	Employer paid pension:	212	42.4	--
14	Cafateria Plan benefits:	193	38.6	--
15	Untaxed Social Security:	180	36	--
16	Personal Exemption (\$4,050/person)	?	0	--
17				-- (est)
		5020	1004	202
				202

BENEFIT CUTS (personal):

		<u>Per yr:</u>
1	Social Security:	--
2	Social Security Disability:	--
3	Medicare:	47.3
4	Medicaid:	100
5	xxx	-- (est)
		147.3
		147

LOOP HOLE CUTS (corporate):

		<u>Per yr:</u>
1	Business interest deductability:	0
2	Tax write-offs:	0
3	Accelorated depreciation:	0
4	Insurance deduction:	0
5	Carried interest:	0 (est)
		0
		0

Observation: if a person can't write it off, why can a business?

BALANCE:

38.9

-201