

**ESTIMATED REVENUE EFFECTS OF H.R. 6760,
THE "PROTECTING FAMILY AND SMALL BUSINESS TAX CUTS ACT OF 2018,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON SEPTEMBER 13, 2018**

Fiscal Years 2019 - 2028

[Millions of Dollars]

Provision	Effective	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
I. Individual Reform Made Permanent													
A. Simplification and Reform of Rates, Standard Deductions, and Exemptions													
1. 10%, 12%, 22%, 24%, 32%, 35%, and 37% income tax rate brackets [1][2][3].....	tyba 12/31/17	---	---	---	---	---	---	---	-128,895	-191,704	-201,134	---	-521,733
2. Modify standard deduction (\$12,000 for singles, \$24,000 for married filing jointly, \$18,000 for HoH) [2].....	tyba 12/31/17	---	---	---	---	---	---	---	-77,044	-113,196	-117,265	---	-307,505
3. Repeal of deduction for personal exemptions [2].....	tyba 12/31/17	---	---	---	---	---	---	---	125,020	183,636	190,119	---	498,775
B. Treatment of Business Income of Individuals, Trusts, and Estates													
1. Allow 20 percent deduction of qualified business income and certain dividends for individuals and for gross income of agricultural or horticultural cooperatives	generally tyba 12/31/17	---	---	---	---	---	---	-5,698	-38,133	-64,337	-70,797	---	-178,965
2. Disallow active passthrough losses in excess of \$500,000 for joint filers, \$250,000 for all others.....	tyba 12/31/17	---	---	---	---	---	---	---	15,859	27,204	28,504	---	71,568
C. Reform of the Child Tax Credit													
1. Modification of child tax credit: \$2,000 not indexed; refundable up to \$1,400 indexed down to nearest \$100 base year 2018; \$2,500 refundability threshold not indexed; \$500 other dependents not indexed; phase outs \$200K/\$400K not indexed [2][3].....	tyba 12/31/17	---	---	---	---	---	---	---	-37,220	-84,262	-85,816	---	-207,298
2. Require valid Social Security number of each child to claim refundable and non-refundable portions of child credit, non-child dependents and any child without a valid Social Security number still receives \$500 non-refundable credit [2][3].....	tyba 12/31/17	---	---	---	---	---	---	---	568	3,213	3,485	---	7,267

Provision	Effective	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23	2019-28
D. Simplification and Reform of Deductions and Exclusions													
1. Repeal of itemized deductions for taxes not paid or accrued in a trade or business (except for up to \$10,000 in State and local taxes), interest on mortgage debt in excess of \$750K, interest on home equity debt, non-disaster casualty losses, and certain miscellaneous expenses [2][3].....	generally tyba 12/31/17	---	---	---	---	---	---	---	73,562	120,841	123,401	---	317,804
2. Increase percentage limit for charitable contributions of cash to public charities [3].....	cmi tyba 12/31/17	----- <i>Estimate Included in Item I.D.1.</i> -----											
3. Repeal of overall limitation on itemized deductions.....	tyba 12/31/17	----- <i>Estimate Included in Item I.D.1.</i> -----											
4. Repeal exclusion for employer-provided bicycle commuter fringe benefit.....	tyba 12/31/17	---	---	---	---	---	---	---	5	6	6	---	17
5. Repeal exclusion for employer-provided qualified moving expense reimbursements (other than members of the Armed Forces) [4].....	tyba 12/31/17	---	---	---	---	---	---	---	510	695	716	---	1,921
6. Repeal of deduction for moving expenses (other than members of the Armed Forces).....	tyba 12/31/17	---	---	---	---	---	---	---	779	1,073	1,122	---	2,974
7. Limitation on wagering losses.....	tyba 12/31/17	---	---	---	---	---	---	---	2	15	15	---	33
E. Double Estate, Gift, and GST Tax Exemption Amount.....	dda & gma 12/31/17	---	---	---	---	---	-52	-371	-1,210	-12,213	-14,535	---	-28,381
F. Increase the Individual AMT Exemption Amounts and Phase-out Thresholds.....	tyba 12/31/17	---	---	---	---	---	---	---	-36,124	-121,283	-125,713	---	-283,120
G. Other Provisions													
1. Allow for increased contributions to ABLE accounts; allow saver's credit for ABLE contributions.....	tyba 12/31/17	---	---	---	---	---	---	---	-3	-4	-4	---	-10
2. Allow rollovers from 529 accounts to ABLE accounts	Da 12/31/17	---	---	---	---	---	---	---	-2	-4	-5	---	-10
3. Treatment of certain individuals performing services in the Sinai Peninsula of Egypt.....	spo/a 12/31/17	---	---	---	---	---	---	---	-1	-2	-2	---	-5
4. Treatment of student loans discharged on account of death or disability.....	doia 12/31/17	---	---	---	---	---	---	---	-6	-11	-12	---	-29
5. Conform the 0%/15% breakpoints for capital gains and qualified dividends to the 12%/22% ordinary income breakpoints for individuals.....	tyba 12/31/17	-42	-26	-25	-32	-24	-26	-33	-36	-43	-44	-149	-332
6. Set AGI floor on itemized medical expenses to 7.5% for two years.....	tyba 12/31/18	-346	-1,931	-1,593	---	---	---	---	---	---	---	-3,869	-3,869
NET TOTAL		-388	-1,957	-1,618	-32	-24	-78	-6,102	-102,369	-250,376	-267,959	-4,018	-630,898

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be October 1, 2018.

[Legend and Footnotes for JCX-71-18 appear on the following page]

Legend and Footnotes for JCX-71-18:

Legend for "Effective" column:

cmi = contributions made in
 Da = distributions after
 dda = decedents dying after

doia = discharge of indebtedness after
 gma = gifts made after

spo/a = service provided on or after
 tyba = taxable years beginning after

[1] The parameters for the beginning of the 12%, 22%, 24%, 32%, 35%, and 37% rate brackets, and the standard deduction amount use 2018 as the base year. Other indexed parameters are adjusted for inflation from their 2017 values using the chained CPI-U as the inflation measure to determine 2018 values.

[2] Estimate includes the following outlay effects:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2019-23</u>	<u>2019-28</u>
10%, 12%, 22%, 24%, 32%, 35%, and 37% income tax rate brackets.....	---	---	---	---	---	---	---	---	1,040	1,013	---	2,053
Modify standard deduction.....	---	---	---	---	---	---	---	---	10,498	10,658	---	21,156
Repeal of deduction for personal exemptions.....	---	---	---	---	---	---	---	---	-17,868	-18,233	---	-36,101
Modification of child tax credit.....	---	---	---	---	---	---	---	---	26,138	26,412	---	52,550
Require valid Social Security number of each child to claim refundable and non-refundable portions of child credit, non-child dependents and any child without a valid Social Security number still receives \$500 non-refundable credit.....	---	---	---	---	---	---	---	---	-2,275	-2,447	---	-4,722
Repeal of itemized deductions for taxes not paid or accrued in a trade or business (except for up to \$10,000 in State and local taxes), interest on mortgage debt in excess of \$750K, interest on home equity debt, non-disaster casualty losses and certain miscellaneous expenses.....	---	---	---	---	---	---	---	---	-522	-306	---	-828
[3] Provision includes certain technical modifications to Pub. L. No. 115-97.												
[4] Estimate includes the following budget effects:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2019-23</u>	<u>2019-28</u>
Total Revenue Effect.....	---	---	---	---	---	---	---	510	695	716	---	1,921
On-budget effects.....	---	---	---	---	---	---	---	327	446	460	---	1,233
Off-budget effects.....	---	---	---	---	---	---	---	182	249	256	---	687