

Revenue Estimate No. 2

Effects of Allowing Filers the Option of Filing Under an Optional 21 Percent Flat Tax

Baseline assumptions: Current law, Bush tax cuts extended and AMT exemptions adjusted for inflation until 2013
 Policy assumptions: Same as baseline except filers have ability to choose optional flat tax

	2009	2010	2011	2012	2013
Optional Flat Tax Returns					
All Returns	3,768,892	3,802,644	3,874,319	3,952,715	4,040,158
No AGI	8,969	8,926	8,735	9,078	9,373
\$1 under \$5,000	6,751	4,911	6,963	6,020	6,227
\$5,000 under \$10,000	26,800	27,077	27,269	32,151	33,552
\$10,000 under \$15,000	39,834	36,662	33,853	25,764	16,867
\$15,000 Under \$20,000	58,691	35,851	31,041	28,728	30,526
\$20,000 Under \$25,000	183,507	154,436	143,803	116,792	97,318
\$25,000 Under \$30,000	86,039	68,341	79,690	71,204	69,008
\$30,000 Under \$40,000	143,075	131,256	133,025	129,575	129,283
\$40,000 Under \$50,000	29,648	32,171	26,862	20,061	19,802
\$50,000 Under \$75,000	9,885	11,768	11,290	10,451	13,250
\$75,000 Under \$100,000	4,510	4,853	3,297	3,141	3,240
\$100,000 Under \$200,000	566,814	540,809	527,923	520,048	517,562
\$200,000 Under \$500,000	1,873,505	1,967,953	2,030,725	2,110,730	2,173,051
\$500,000 Under \$1,000,000	502,610	536,953	564,452	607,689	645,879
\$1,000,000 and Over	228,257	240,677	245,393	261,283	275,220

Optional Flat Tax Returns as a Percent of Total Returns

All Returns	2.7%	2.6%	2.7%	2.7%	2.7%
No AGI	0.3%	0.3%	0.3%	0.3%	0.3%
\$1 under \$5,000	0.1%	0.1%	0.1%	0.1%	0.1%
\$5,000 under \$10,000	0.2%	0.2%	0.2%	0.3%	0.3%
\$10,000 under \$15,000	0.4%	0.4%	0.4%	0.3%	0.2%
\$15,000 Under \$20,000	0.6%	0.4%	0.4%	0.3%	0.4%
\$20,000 Under \$25,000	2.2%	1.9%	1.8%	1.5%	1.3%
\$25,000 Under \$30,000	1.0%	0.8%	0.9%	0.8%	0.8%
\$30,000 Under \$40,000	1.0%	0.9%	0.9%	0.9%	0.8%
\$40,000 Under \$50,000	0.2%	0.3%	0.2%	0.2%	0.2%
\$50,000 Under \$75,000	0.0%	0.1%	0.1%	0.0%	0.1%
\$75,000 Under \$100,000	0.0%	0.0%	0.0%	0.0%	0.0%
\$100,000 Under \$200,000	3.5%	3.0%	2.8%	2.5%	2.3%
\$200,000 Under \$500,000	48.0%	46.4%	46.5%	44.2%	42.8%
\$500,000 Under \$1,000,000	71.5%	70.9%	78.2%	82.3%	83.5%
\$1,000,000 and Over	69.7%	65.4%	75.6%	66.0%	68.8%

Revenue Estimate

All Returns	93,579,052,724	97,206,151,273	100,333,088,592	106,236,803,733	112,278,013,782
No AGI	566,746,931	586,757,216	454,770,549	551,790,406	579,965,491
\$1 under \$5,000	20,068,782	9,426,668	32,380,316	29,502,036	32,456,524
\$5,000 under \$10,000	9,258,154	47,787,439	22,116,853	14,129,830	11,545,828
\$10,000 under \$15,000	43,455,970	5,863,487	18,471,060	12,957,208	15,732,881
\$15,000 Under \$20,000	17,525,106	5,359,827	3,418,434	4,965,119	7,283,075
\$20,000 Under \$25,000	45,225,237	28,949,726	25,462,676	19,720,170	13,520,869
\$25,000 Under \$30,000	16,521,818	23,332,464	23,444,374	12,845,716	11,900,667
\$30,000 Under \$40,000	72,550,793	57,416,131	54,754,154	61,872,262	48,909,701
\$40,000 Under \$50,000	22,075,702	27,504,911	26,196,359	22,741,954	12,477,300
\$50,000 Under \$75,000	150,263,783	138,633,703	159,537,941	145,409,345	151,510,274
\$75,000 Under \$100,000	27,098,673	33,036,141	23,630,211	13,866,943	23,966,162
\$100,000 Under \$200,000	1,451,341,602	1,503,959,871	1,567,053,188	1,480,203,132	1,494,244,088
\$200,000 Under \$500,000	20,578,678,573	21,773,388,480	22,954,655,756	24,151,396,521	25,379,291,881
\$500,000 Under \$1,000,000	19,225,462,066	19,853,833,079	21,245,905,830	22,529,545,456	23,978,502,837
\$1,000,000 and Over	51,332,779,535	53,110,902,131	53,721,290,892	57,185,857,636	60,516,706,205

Revenue Estimate as a Percent of Baseline Revenue Forecast

All Returns	8.3%	8.1%	8.4%	8.3%	8.5%
No AGI	100.0%	100.0%	100.0%	100.0%	100.0%
\$1 under \$5,000	90.3%	90.2%	95.4%	95.9%	95.9%
\$5,000 under \$10,000	2.1%	11.6%	6.1%	4.4%	4.0%
\$10,000 under \$15,000	2.2%	0.3%	1.1%	0.8%	1.0%
\$15,000 Under \$20,000	0.4%	0.1%	0.1%	0.2%	0.2%
\$20,000 Under \$25,000	0.7%	0.5%	0.4%	0.3%	0.3%
\$25,000 Under \$30,000	0.2%	0.2%	0.2%	0.1%	0.1%
\$30,000 Under \$40,000	0.3%	0.2%	0.2%	0.2%	0.2%
\$40,000 Under \$50,000	0.1%	0.1%	0.1%	0.1%	0.0%
\$50,000 Under \$75,000	0.2%	0.1%	0.2%	0.2%	0.2%
\$75,000 Under \$100,000	0.0%	0.0%	0.0%	0.0%	0.0%
\$100,000 Under \$200,000	0.5%	0.5%	0.5%	0.4%	0.4%
\$200,000 Under \$500,000	9.4%	9.2%	9.4%	9.2%	9.1%
\$500,000 Under \$1,000,000	17.7%	17.0%	18.6%	19.1%	19.2%
\$1,000,000 and Over	21.4%	20.9%	23.4%	21.7%	22.7%